FEDERAL-AID HIGHWAY ACT OF 1982

HEARING

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION

OF THE

COMMITTEE ON
ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE

NINETY-SEVENTH CONGRESS

SECOND SESSION

ON

S. 2315

A BILL TO AUTHORIZE APPROPRIATIONS FOR THE CONSTRUCTION OF CERTAIN HIGHWAYS IN ACCORDANCE WITH TITLE 23 OF THE UNITED STATES CODE, AND FOR OTHER PURPOSES

APRIL 21, 1982

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FEDERAL-AID HIGHWAY ACT OF 1982

WEDNESDAY, APRIL 21, 1982

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
SUBCOMMITTEE ON TRANSPORTATION,
Washington, D.C.

The subcommittee met at 9:38 a.m., in room 4200, Dirksen Senate Office Building, Hon. Steve Symms (chairman of the subcommittee) presiding.

Present: Senators Symms, Abdnor, Randolph, Bentsen, and Burdick.

OPENING STATEMENT OF HON. STEVE SYMMS, U.S. SENATOR FROM THE STATE OF IDAHO

Senator SYMMS. The meeting will come to order.

I want to welcome all of the witnesses that will be testifying before the Subcommittee on Transportation of the Environment and Public Works Committee hearing on S. 2315, the Federal-Aid Highway Act of 1982.

The subcommittee has asked the witnesses to address a number of issues, including the Federal role in the urban and rural programs, category consolidation, criteria for allocating discretionary bridge funds, certification acceptance procedures, and the transferability of funds among Federal-aid programs. Program decisions related to these issue areas have direct consequences as to how effectively the Federal-aid highway program addresses the needs of our transportation system.

S. 2315 assumes the existing Highway Trust Fund revenue structure. The bill's provisions constitute positive program changes which will maximize State flexibility, more clearly delineate areas of Federal responsibility, and improve the Federal-aid highway program's performance within the limits of the existing revenue structure. These program changes are needed, but they are no substitute for increased dollars.

In a letter to the distinguished chairman of this committee, the American Association of State Highway and Transportation Officials reported that the States estimate they can spend over $13 billion in Federal-aid funds both in fiscal 1983 and 1984.

As I stated during this committee's recent fiscal 1983 budget hearing, I reluctantly accepted a reduction in the highway program last year because I believe that a reduction in Federal spending is vital to the Nation's economic recovery. However, we are rapidly reaching a point in which continued reduction in the capital investment of our transportation system will leave the infrastructure seriously impaired. A functional transportation system is essential to economic recovery.

The vital role of trucks in the movement of goods, especially manufactured goods, is illustrative of the importance of the transportation system to our economy. In 1979, trucks carried 24 percent of the ton-miles of all freight transported and 37 percent of the ton-miles of manufactured goods transported. During the 1970's, trucks were the only mode for which average growth in ton-miles carried exceeded that of the 1960's. The most recent Department of Transportation needs study projects that truck ton-miles of travel will maintain an average annual growth of 5.5 percent until 1985 and a growth rate of 3.4 percent until the year 2000.

In conjunction with deferred capital improvement and maintenance in prior years, these growth trends in the use of our transportation system are creating demands for new capacity, accelerating the need to resurface and restore pavement and bridges, and requiring the upgrading of highways not designed to safely carry increased volumes of traffic. I do not need to recount in dollars the estimated needs of our interstate, primary, secondary, and urban systems to the distinguished witnesses before us today. I am sure you are all aware of the alarming figures.

Because of the existing needs of our transportation system and the projected increase in travel demands, I support an increase in user fees. However, I believe a proposal to increase user fees should be considered together with the highway cost allocation study which is scheduled to be released by the Department of Transportation in several weeks. The subcommittee plans to hold hearings later this spring and summer on the cost allocation study and user fee increases.

The task before us today is to exchange information and ideas regarding the proposed changes in the Federal-Aid Highway Act of 1982. Such an exchange is vital to assuring an effective Federal-aid highway program.

I do look forward to hearing from our witnesses today.

I would just like to point out that on Sunday, April 18, in the Washington Post, George Will had a column that would do us all well to distribute among our friends. I ask unanimous consent that it be inserted in the record at this point.

[The article follows:]

[From the Washington Post, April 18, 1982]

WHAT POTHOLES SAY ABOUT US

(By George F. Will)

In 1980, Republicans rebelled against the iniquity of the 55 mph national speed limit and denounced it in their platform. Democrats laughed. Republicans swept the West, where folks don't take kindly to the feds slowing down a fella's pickup.

But today there are stretches of the Interstate Highway System where traffic creeps at 30 mph because of potholes and crumbling pavement. What is the Republican administration going to do about these and similar problems?

If Drew Lewis, the secretary of transportation has his way, taxes will be raised. I mean, revenues will be enhanced. That is, costs will be recovered by, er, augmenting "user fees." Principally, Lewis wants a 4-cent increase in the federal tax on a gallon of gasoline.

Only the gallantry I learned at my father's knee keeps me from hooting when Republicans devise euphemisms to avoid saying "tax increases." But Lewis has a point about the gas tax being a user fee. He proposes raising $4 billion annually from the four-cent increase, and another $1 billion from other user fees, primarily on heavy trucks. About $1 billion would be dedicated to mass transit capital investments.

This last provision, although perhaps justifiable, muddies Lewis' argument. The lofty morality of users fees—what makes them noble, whereas tax increases are yucky—is that users of a service should pay for it. But, if so, mass-transit users should pay for mass transit with their fares. Lewis is nothing if not nimble, and he argues that highway users should pay with "user fees" some of the costs of the mass transit they do not use because highway users will benefit from more adequate highway capacity when more folks are using mass transit.

Oh, well. Lewis is not only secretary of sophistry, he is also secretary of transportation. And the transportation system has problems that are more serious than Lewis' casuistry about user fees.

It has been well said that maintenance, as much as original construction, is a measure of a society's vitality. It also is a measure of maturity, of the willingness to make timely provision for the future. By this measure, America is increasingly deficient.

The Interstate Highway System is not yet completed, but 10 percent needs resurfacing immediately and almost half will need major repairs by 1995. Even a three-year deferral of repairs can by 1995. Even a three-year deferral of repairs can triple the cost—not even counting inflation. In the next 15 years, 216,000 miles of other roads in rural areas will need at least resurfacing. (An Arizona county recently tore up 250 miles of paved roads and put down gravel because that was cheaper than repairing the potholes.)

The design life of a bridge is 50 years. Seventy-five percent of America's bridges are more than 45 years old. Forty percent are judged deficient. It would take $60 billion just to eliminate the backlog of needed bridge repairs.

It would take $6 billion just to replace transit buses that are more than 15 years old. New York City would need $110 billion over the next decade just to rehabilitate its transit system. it also must resurface much of its 6,000 miles of streeets (and must repair most of its 2,400 miles of water system and 6,100 miles of sewer system).

Gasoline cost 31 cents a gallon in 1959, when the tax was last raised (to 4 cents). The price of gasoline has quadrupled, highway construction costs have risen 300 percent, and the four cents are worth less than one cent. A gas tax proportional to four cents on a 31-cent gallon would today be 16 cents on a $1.24 gallon, double what Lewis wants it to be.

Conservatives rightly describe indexing of tax brackets as a cure for "surreptitious, unlegislated" tax increases. They should, therefore, describe what has happened to the gasoline tax since 1959 as a "surreptitious, unlegislated" tax cut.

There are today many varieties of liberalism and conservation, with interesting similarities and incongruities, rather like the Synoptic Gospels. Keeping track of them requires an intellectual micrometer. But unless I have missed something, there is not yet an ideological difference between conservatives and liberals regarding potholes. Whites and blacks, Jews and gentiles, WASPs and ethnics—we are all against bridges falling down.

But many conservatives have not come to terms with this fact: private life—including private enterprise—depends on a publicly provided physical infrastructure. It is not optional; neither is it inexpensive. It illustrates this face: a substantial portion—perhaps 80 percent—of public spending is not really a subject of serious disagreement.

Senator SYMMS. The article is entitled "What Potholes Say About Us." I will just read a couple of quotes. But the interesting thing is that George Will talks about maintenance.

It has been well said that maintenance, as much as original construction, is a measure of a society's vitality. It also is a measure of maturity, of the willingness to make timely provision for the future. By this measure, America is increasingly deficient.

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Will goes on to say:

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> But many conservatives have not come to terms with this fact: private life—including private enterprise—depends on a publicly provided physical infrastructure. It is not optional; neither is it inexpensive. It illustrates this fact: a substantial portion—perhaps 80 percent—of public spending is not really a subject of serious disagreement.

I would say that most of the members of this committee, Senators Randolph and Bentsen and others, are well aware of what the problem is. I hope that somebody on the staff has passed this column out to you, because I think the people here this morning are certainly interested and know the needs of the highway program. I hope we have a few copies of this. You can take it and use it wherever you can. But I think Mr. Will is to be congratulated for making that an issue in his syndicated column so the American people can start to become aware of it. They are going to become aware of it very rapidly as they start driving on the roads as the roads are breaking up this spring. I have noticed everywhere I have been in the country that we have a severe problem with the road system.

I think Senators Bentsen and Randolph may have some opening remarks. Senator Bentsen?

OPENING STATEMENT OF HON. LLOYD BENTSEN, U.S. SENATOR FROM THE STATE OF TEXAS

Senator **Bentsen**. I am pleased to participate in the hearings today on the "Federal-Aid Highway Act of 1982." It is a special pleasure to see that Texas is so well represented on this morning's panel.

There can be no argument about the serious needs of our Nation's highway system. The statistics supporting these acute needs are familiar to us all. They vividly illustrate the dilemma facing us. We have a serious problem and scarce dollars to solve it. We must reconcile the rapid deterioration of an existing system of highways and bridges, and the future demands brought about by changing transportation patterns, with the fiscal constraints imposed by our current economic condition.

I commend Senator Symms, the distinguished subcommittee chairman, for his initiative in bringing the 1982 highway legislation to us for consideration. I am pleased to join with my colleagues, Senators Stafford, Randolph, Burdick, and Abdnor in cosponsoring S. 2315. I sincerely appreciate Senator Symms' efforts to work within the confines of the limited Federal resources available to reach those aspects of the Federal-aid highway program in the greatest need of attention and with most national interest. The emphasis on the completion of the interstate, the interstate 4-R, bridge replacement and rehabilitation, program consolidation, and increased transferability among program categories, make this, I believe a responsible bill. The interstate 4-R funding nearly doubles from fiscal year 1982 to fiscal year 1986 bringing its share of the total Federal-aid highway program from approximately 9 percent in fiscal year 1982 to 21 percent in fiscal year 1986. This represents a significant commitment to preserving our imbedded highway assets.

I share the concern expressed by Senator Symms that we can not continue to accept reduced funding levels for our transportation system. This bill assumes no increase in revenues into the highway trust fund pending receipt of the long-awaited cost allocation study which will serve as a catalyst for further discussions on user-fee increases. The American people were asked to change their driving habits in the early 1970's. The success of their efforts is now resulting in a declining revenue base for the highway trust fund. I am a firm believer in the trust fund concept and sincerely hope that the Finance Committee will seriously consider the untenable situation which currently threatens the financial health of the highway trust fund, and ultimately the future of the Federal-aid highway program.

We have a full day ahead of us with much information to be gathered from this distinguished group. I look forward to hearing your comments and observations on the 1982 act. Your input is most appreciated.

Senator SYMMS. I appreciate your support. I certainly have enjoyed working with you on this committee.

Senator Randolph, did you have a comment you wanted to make?

OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator RANDOLPH. I am pleased to join with the Chairman of our Transportation Subcommittee, Senator Symms, and the ranking member of the subcommittee, Senator Bentsen, in this hearing on S. 2315, a 4-year extension of the Federal-aid highway program. Legislation this year is basically a continuation of the discussions last year when the committee considered S. 1024. During that consideration and final resolution in the closing days of the 1st session of the 97th Congress, only the interstate provisions of the bill were adopted.

It is, therefore, necessary to consider extending the entire Federal-aid highway program this year. The committee in addressing this legislation must give careful consideration to several factors. First, sufficient authorizations must be provided to complete the

Interstate System as redefined by last year's legislation. We must also continue the commitment which was made last year to rehabilitation and reconstruction of the vital Interstate Highway System. Second, the committee must carefully examine other categorical assistance provided under the highway program. The authorization levels for the major programs must be given due consideration as well as proposals to consolidate smaller existing categories, thus more targeting our limited highway dollars.

The bill which we are discussing today extends the authorizations for 4 years for all major systems currently funded under the highway program. This extension demonstrates the commitment of the members of the Subcommittee on Transportation to continue to provide Federal assistance in the construction and rehabilitation of our important highway system. With completion of the interstate system becoming more of a reality, it is time to begin thinking more in terms of the level of effort needed to maintain the Federal investment in both this system and other major Federal-aid categories.

This legislation substantially expands the effort of the Federal Government to rehabilitate and reconstruct the interstate system by increasing the authorizations from the current level of $800 million to $2.1 billion in the final year of the bill. I was pleased to join in cosponsoring this legislation because I feel the Federal Government must be involved in maintaining its investment in the interstate system.

I also participated in introducing this bill because of the continuing commitment demonstrated to the rehabilitation and replacement of deteriorated or obsolete bridges. The $4.9 billion authorized over the life of this bill will allow the States to continue effective bridge programs and thus eliminate serious deficiency problems both on and off the Federal-aid system.

The witnesses who will testify today will provide the subcommittee with valuable information to assist it in producing a meaningful and important extension of our Federal-aid highway program. I look forward to hearing the testimony and discussing issues with our witnesses.

Senator **Symms**. I appreciate your support and encouragement in these matters, Senator Randolph.

Senator Goldwater and Senator DeConcini, we are delighted to have you here. We would like to hear from you. I guess, Senator Goldwater, you are the senior Senator, so you can start off.

STATEMENT OF HON. BARRY GOLDWATER, U.S. SENATOR FROM THE STATE OF ARIZONA

Senator **Goldwater**. Thank you. I am glad you didn't say the oldest.

Mr. Chairman, my colleague and I appreciate the time you have set aside in your busy schedule to allow us to comment on S. 2315. As you know, this bill will affect a major highway project in Arizona. Our particular concern is with that section of the bill which would eliminate a specific category of funding for the priority primary program.

Mr. Chairman, the priority primary program was created to help States meet certain special highway financing requirements. It was designed to provide a mechanism to fund long-term high-cost but urgent highway projects which otherwise would absorb most of the State's primary allocations, which would have a potentially disastrous effect on any State's overall transportation plan. The Congress went so far as to actually name projects which would qualify for priority primary funds which gave recognition to the necessity of their completion.

In 1978, Mr. Chairman, the Congress designated the Kolb-Valencia Road in Tucson, Ariz. as a priority primary road, and the Federal Highway Administration gave its go-ahead for the project. This road will accommodate the transportation demands of a rapidly expanding urban Tucson, linking it to a major industrial park which is separated from the city by the Davis-Monthan Air Force Base.

I might say this base is one of the largest training bases in the Air Force. At the time it was established, it was way out of town. But like all western communities, the community is growing so fast that to reach the IBM plant which eventually will hire over 20,000 people. It necessitates a long, rather torturous route around not only that airport but another large airport. So what we are trying to do is to build the road to make it easier and less expensive for these workers to get back and forth to work.

The plans for its actual design and construction have been studied for years. After the Department of Transportation and the Congress approved the project, Tucson followed suit with a bond issue to finance the local share of the cost, and it took it for granted that the Federal Government would live up to its commitment.

Mr. Chairman, the community has already begun the initial phases of construction for the Kolb-Valencia project, and if everything goes according to plan, the road should be completed by 1984. However, eliminating the category of funding now will jeopardize the project while leaving the impression, albeit unintended, that the Federal Government is an unreliable partner.

The economic consequences of a disruption at this point would be a substantial one indeed. The existing surface transportation is strained to the limit by growth on the east side of the city. Further delays in the Kolb-Valencia Road will inevitably stifle the community's economic development. To put it simply, the transportation needs of Tucson cannot be met without the completion of this project.

The notion that somehow States will still be able to fund these projects by utilizing their share of general primary funds is a mere illusion. In our State alone, the Department of Transportation has so many road projects seeking funds that it can't possibly provide for them all, not even the most critical ones.

Therefore, we would suggest to the committee that since the Federal Government already has made a commitment to complete the Kolb-Valencia project, some provision be placed in the legislation to honor this commitment. By amending the present bill, some of the primary funds could be redistributed to priority projects in the pipeline. Then we can protect the Federal-State relationship and the projects themselves without exceeding the obligational ceilings stipulated in this legislation. A grandfather clause allowing only those projects under construction to be funded also would be a way to stop any new starts under this category.

Mr. Chairman, we are aware of the difficult task you and the other members of the committee face in attempting to fashion a bill which protects our national highway needs while responding to the fiscal pressures. However, we only ask that in the process you give serious consideration to maintaining a limited priority program to assure the completion not only of this route but others around the country that are important to this Nation's transportation system.

Again, Mr. Chairman, members of the committee, I thank you for the privilege of being here.

Senator SYMMS. Thank you very much, Senator Goldwater.

Senator DeConcini?

STATEMENT OF HON. DENNIS DeCONCINI, U.S. SENATOR FROM THE STATE OF ARIZONA

Senator DECONCINI. Chairman Symms and Senator Bentsen, I will be very brief. I want to wholeheartedly endorse and support the statement of my senior colleague who has been working on this project long before I was even in the Senate.

Mr. Chairman, my home town is Tucson, Ariz. I was born there and spent the major part of my life there. I watched the enormous growth that has taken place over the years. Tucson is not a small town. It is a growing metropolitan area which has attracted many new industries and businesses. As a consequence, it has had a rapid influx of individuals who have come to seek a new and better way of life.

We are happy with this growth, but the city of Tucson is not a boom town with an unlimited supply of resources ready to meet the escalating needs and demands of its citizens. Times are not easy, especially for towns in the Sun Belt that have been hit so hard by population growth. But the citizens are doing everything they possibly can to finance their own community services. They have not asked for nor do they expect the Federal Government to wholly foot the bill for necessary services. They have taken seriously their responsibilities to provide for the improvements adequate for a reasonable style of life.

As you know, Mr. Chairman, a sufficient and effective transportation system is one of those single most ingredients to any major well-functioning community. The system must be well planned to move people safely, smoothly, and expeditiously.

The city of Tucson, Pima County, in the State of Arizona, many years ago had the foresight to come up with such a plan, one that will accommodate current and future growth. The integral portion of that plan is the Kolb-Valencia project, which my distinguished senior colleague so eloquently pointed out.

The community has worked hard to get actual construction underway and meet all the requirements of the Federal Highway Administration and the Department of the Air Force. This has finally been accomplished. Tucsonans have approved over $100 million in bonds to finance the local share. Major businesses like IBM, Gates

Learjet, have moved into the area of the planned highway. When the project is completed, increased industrial expansion with new jobs for many individuals will be certain.

Mr. Chairman, I am personally familiar with every square mile of Pima County. I can tell you that this project is not a luxury. It is a necessity. The people of Tucson expect the project to be finished in a timely manner. They expect the Federal Government to hold true to its word and commitment. On behalf, Mr. Chairman, and members of the committee, of the city of Tucson, I ask that you give this issue your utmost serious consideration and hope that the committee can see fit to not placing this highly urgent project in jeopardy and sacrificing all the good work that has already been done.

Thank you, Senator Symms.

Senator SYMMS. Thank you very much, both of you.

Senator Randolph?

Senator RANDOLPH. For only 1 minute, Mr. Chairman. I am to testify at 10 o'clock at another hearing.

I think the Senators from Arizona would want to know that all members of this committee mean to give the most careful attention and analyze the problem that you have.

In the State of West Virginia, we have no priority primary projects, but I have always, as I did in the past and will do in the future, I do not try to be provincial or localize my thinking even to a State I love with our many problems. But here, through the years, we have tried diligently to provide the constructive programs that will aid the people of America, the people who move from their homes to their work and back again, the people who move from one part of this country to another, understanding the beauties of the various States, and then also importantly the movement of the products from the factory, and the field, and the mine, wherever we produce, to the ultimate consumers.

We cannot overestimate the value of a highway system, including bridges, which is intact. And today, even though we are in difficulty as to finding the answers, we must do it, because, even with the increased costs, if we allow the roads to further deteriorate, the increased costs will be there tomorrow and next year. So I hope that we can come to grips this year on some type of practical financing between the Federal, the State, and perhaps even the local political subdivisions which can give us the opportunity and the responsibility, knowing your problem, to help you solve it.

I thank you.

Senator SYMMS. Thank you very much, Senator Randolph. We appreciate it and we appreciate your continued support on this committee. We are sorry you can't be with us this morning, but we thank you.

Senators, Senator Bentsen and I are both also on the Finance Committee besides this committee. There is a great deal of talk in town now that there is going to be a budget compromise worked out and there will be some tax increases in it. That is the word that I still use for revenue enhancements. Would you tell us, a Democrat and Republican member of the Finance Committee, should we go ahead and raise the Federal fuel tax? What would your advice be to us on that?

Senator **Goldwater**. I think you should do whatever is necessary to maintain the transportation needs of this country. I don't say this in a way that could be made to be different from other parts of the country, but we all live in parts of this country that are growing far, far more rapidly than we ever dreamed.

I remember when the Davis-Monthan Air Force Base was established. It was so far out of Tucson you had to have a little pack animal to find it. Now it is right in the middle of town. We never dreamed that a company as large as IBM would ever look at the State of Arizona as a place to build a factory, but there it sits. There, also, sits Learjet. And we have, I imagine, the problem of moving right now some 18,000 people a day on roads that were never built for that.

So I would say you have to take care of the needs of our people. If it means getting a little more money in taxes, get it. We sure as heck can't raise it all out there. We can try. And whether being a rich State and a State that attracts tremendous wealth and some of the best people in America, we don't have all that money, so let's get it.

Senator **DeConcini**. Mr. Chairman, I concur with my senior colleague. I can tell you that the State of Arizona has recently passed an increase in the gas tax, I believe it is 5 cents a gallon, commencing this year, for the same reason, to meet the commitments here.

The compromise package is one that I certainly would consider raising some enhancement revenue. I look at it a little differently. Where we ought to go to balance the budget is that third year of our Kemp-Roth tax cut. But I am open to a compromise to find a solution that we can continue the transportation commitment and the financing of those on the Federal level, particularly in areas that we have pointed out here and others in some of your States. I know Texas has some of these projects that have been committed to. This is the word of the Federal Government that has been given. We have an obligation. We are not talking about new starts. I think new starts is something we can't afford today.

Senator **Symms**. Your problem is simply one of money. If we had $10 or $12 billion to allocate this year, it would be easy to answer the question. I think you wouldn't have a problem, and you realize that. It is just a matter of lack of revenue.

George Will's column points out that the tax really should be about 16 cents a gallon to keep all things equal to where it was if we want to continue with the Federal highway system. I think that is necessary. But the facts are out there. I think General Eisenhower will long be remembered for his contribution to this country in terms of a Federal interstate transportation system on the highways. But we will be long remembered if we are the group of people in office who let it all go to potholes. I think that we certainly had better move on it now.

Senator Bentsen, do you have any comments or questions?

Senator **Bentsen**. No; I appreciate the testimony.

Senator **Goldwater**. I might say, with all due respect to George Will and potholes, our climate is so perfect out there, potholes are not really a problem.

I might just remind my friends that when the Theodore Roosevelt Dam was built, we were roundly criticized for spending $11 million of Federal money to build a dam. That expenditure of $11 million, plus our own expenditures, has produced one-half a billion dollars of taxes out of one little valley. Now you fix up this road and I will give you odds that inside of 10 years everything we invest in it will be paid back in new taxes. It is an investment.

Senator SYMMS. Thank you both very much. I appreciate your being here.

Senator GOLDWATER. Thank you.

Senator DECONCINI. Thank you, Senator Bentsen and Mr. Chairman.

Before I introduce the next witness, I would like to say that we have a statement from Senator Huddleston which I will make a part of the record at this point.

[The statement referred to follows:]

Statement of
Senator Walter D. Huddleston
submitted to the
Senate Committee on Environment and Public Works
Transportation Subcommittee
April 21, 1982

Regarding: Cumberland Gap Tunnel Project
Relocation of U.S. 25E

I call the Committee's attention to the need to make technical changes in the authorization for the Highway Trust Fund to cover the cost of the reconstruction and relocation of U.S. 25E through the Cumberland Gap National Historical Park.

Background

Section 160 of the Federal-Aid Highway Act of 1973 made available funds from the Highway Trust Fund for the cost of the reconstruction and relocation of U.S. 25E through the Cumberland Gap National Historical Park, including construction of a tunnel and the approaches thereto, so as to permit restoration of the Gap and provide adequate traffic capacity. Upon completion of construction, such highway and tunnel and all associated lands were to be transferred to the National Park Service and managed as part of the Cumberland Gap National Historical Park.

Report No. 93-61, dated March 13, 1973, of the Committee on Public Works, United States Senate, page 22, indicates that funding is clearly beyond the capability of the States' primary apportionments. Because the entire route is through the National Park, and in view of the national interest in this historic site the Committee Bill would authorize construction of the tunnel and approaches thereto from sums available for parkways. Upon completion, the facility would be transferred to the National Park Service.

Issue

The language of Section 160 of the Federal-Aid Highway Act of 1973 was not specific as to which agency (Department of Transportation or the Department of the Interior) would be the lead agency in administering this Cumberland Gap project. Historically, funds available for parkways are considered to be the responsibility of the Department of the Interior. OMB in 1977 determined that the Department of the Interior should be the lead agency for this project -- this determination may have been reached due to the nonspecific language in Section 160 of the Federal-Aid Highway Act of 1973.

Further, OMB determined that the cost of this project, regardless of the source of funds, should be considered in the Department of the Interior's (National Park Service - NPS) normal budget process and, therefore, will fall under the obligation limitations imposed by OMB on the Department of the Interior.

The cost of the Cumberland Gap project is estimate to be in the range of $150 to $200 million. The total NPS construction program approximates $50 to $90 million annually. The funding appears to be clearly beyond the capability of the NPS, and the OMB imposed obligation limitations.

Further, the language of Section 160(b) of the Federal-Aid Highway Act of 1973 provides that:

> "Upon construction, such highway and tunnel and all associated lands and rights-of-way shall be transferred to the National Park Service and managed as part of the Cumberland Gap National Historical Park."

This language is also not specific as to which agency is responsible for construction; but, it seems clear that some agency will transfer it to the NPS upon completion.

I, therefore, recommend that the Committee amend Section 160 of the Federal-Aid Highway Act of 1973 to provide that the Secretary of Transportation is authorized to construct the Cumberland Gap project.

I am also enclosing for the Committee's consideration a Transportation Department report on accident statistics and corresponding graphic charts for U.S. 25E at Cumberland Gap National Historical Park.

This tunnel project will complete a key segment of the Appalachian highway system. The entire 100 mile length of U.S. 25E from its connection with I-75 at Corbin, Kentucky to its connection with I-81 at Morristown, Tennessee either exists as 4-lanes or is under construction as a 4-lane facility with the only exception being the 2.7 miles of extremely dangerous and very steep mountain road through the Cumberland Gap National Historical Park.

In the last decade, over 200 accidents and 19 fatalities have occurred on U.S. 25E through the Gap. This is over twice the national average.

MAR 31 1982

HPC-15
Your reference: DSC-TSE

Mr. Denis P. Galvin
Manager, Denver Service Center
National Park Service
P.O. Box 25287
755 Parfet Street
Denver, Colorado 80225

Dear Mr. Galvin:

Forwarded for your information are a set of accident statistics and corresponding graphic charts for U.S. 25E at Cumberland Gap National Historic Park as requested and furnished to Mr. Robert Baker's office by phone on March 19.

If we can be of further assistance, please advise.

Sincerely yours,

S/ ROY M. CRAWFORD

H. C. Wieland
Division Engineer

Enclosures

cc: Mr. Robert Baker, Regional Director, NPS, Atlanta, GA

bcc:
EDFD File
Chrono
P&C Division
P&C Reading
LJMATTIA:gaw:79090:3/26/82
Cumberland Gap

FEDERAL HIGHWAY ADMINISTRATION
EASTERN DIRECT FEDERAL DIVISION

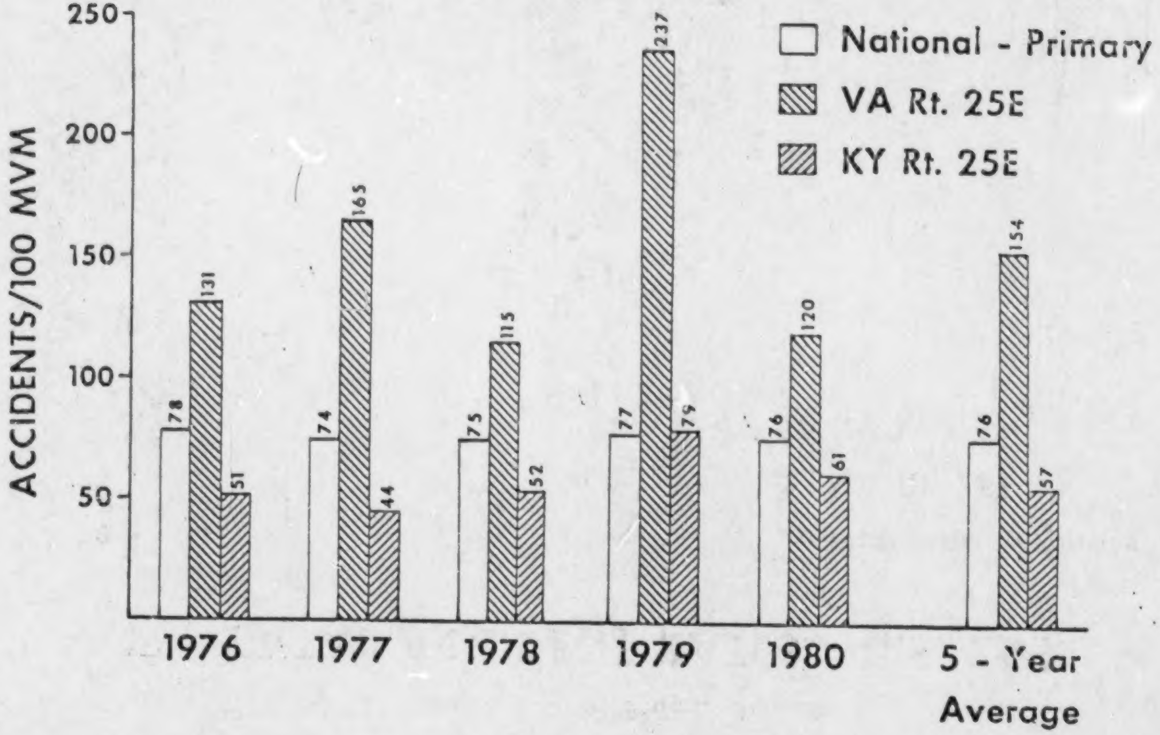
BRIEFING STATEMENT

Safety Considerations for Highway 25E
Cumberland Gap National Historical Park

The existing Highway 25E which traverses thru Cumberland Gap National Historical Park is a major arterial route with a number of safety problems which are illustated by accident rates more than twice the national average for similar type roads. The accident problems are due to a number of features including inconsistent design features, the combination of steep grades and sharp curves, heavy traffic volumes and the lack of modern roadside safety features. The design is inconsistent because the roadway changes from 4 lanes to 2 lanes, then to 3 lanes and back again to 4 within a 3 mile distance. Drivers are caught unaware when leaving the 4 lane portions and entering the 2 and 3 lane segments. This problem is compounded during winter months when icing readily occurs due to the high altitude of the pass. In addition, traffic volumes are above safe capacity and have a high percentage of trucks (about 16%). Not only are actual traffic volumes high but the traffic is a mix of commercial, tourist and local and results in a great potential for vehicle conflicts. The roadside is very substandard with respect to modern standards and consist of narrow shoulders, steep dropoffs, old-type barriers, jutting rocks and inadequate stopping sight distances.

Federal Highway Administration 3/19/82
Eastern Direct Federal Division

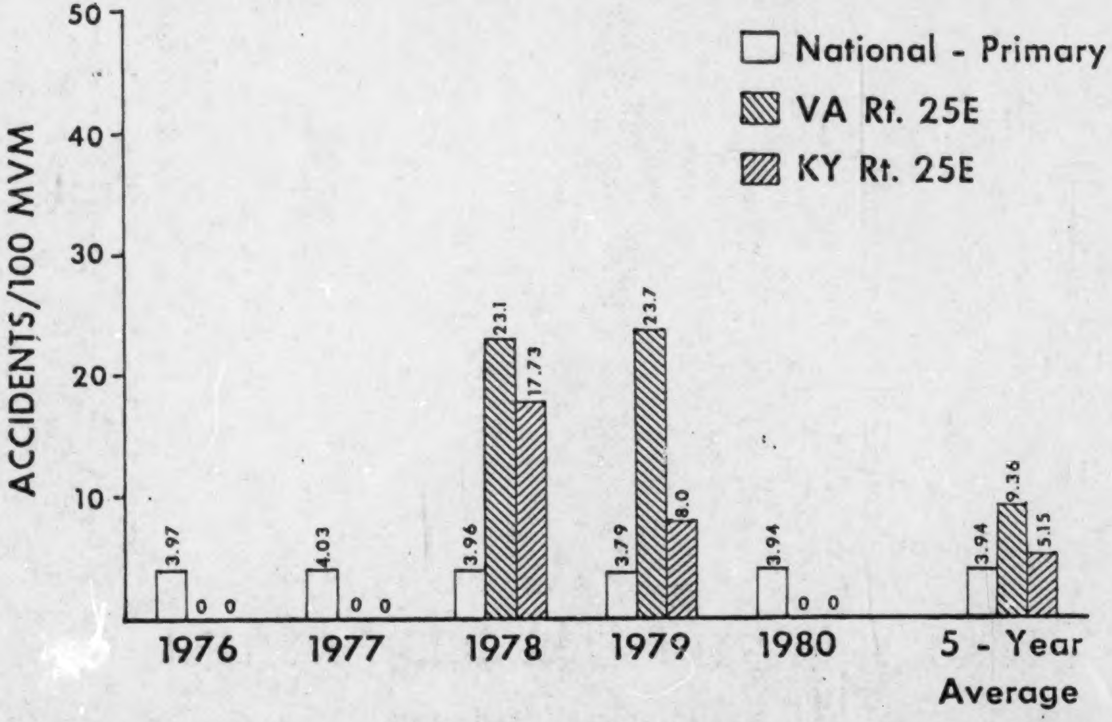
INJURY ACCIDENT RATES - U.S. 25E



Note: Data furnished by FHWA Division Office on 3/19/82

Federal Highway Administration 3/19/82
Eastern Direct Federal Division

FATAL ACCIDENT RATES - U.S. 25E



Note: Data furnished by FHWA Division Office on 3/19/82

3/19/82

FEDERAL HIGHWAY ADMINISTRATION
EASTERN DIRECT FEDERAL DIVISION

ACCIDENT RATE COMPARISON-US25E

Virginia - 0.9 miles

Year	Fatal Accidents No.	Rate	Injury Accidents No.	Rate
1980	0	0	4	120
1979	1	23.7	3	237
1978	1	23.1	1	115
1977	0	0	4	165
1976	0	0	1	131
5 Year Average Rate		9.36		153.6

Kentucky - 2.28 miles

Year	Fatal Accidents No.	Rate	Injury Accidents No.	Rate
1980	0	0	7	61.0
1979	1	8.0	9	79.0
1978	2	17.73	6	52
1977	0	0	5	44
1976	0	0	5	51
5 Year Average Rate		5.15		57.4

National Rates

Year	Fatal Rate	Injury Rate
1980	---	---
1979	3.79	76.93
1978	3.96	74.54
1977	4.03	74.24
1976	3.97	78.30
5 Year Average Rate	3.94	76.0

Note: Statistics furnished by the FHWA Division Offices on 3/19/82. National rates published by FHWA annually.

Senator SYMMS. The next witnesses is Doug Pitcock, vice president, Associated General Contractors, accompanied by H. C. Heldenfels, president, Associated General Contractors; and James A. Caywood, chairman, American Road & Transportation Builders Association, accompanied by Daniel J. Hanson, Sr., president, American Road & Transportation Builders Association; and Stanley W. Gustafson, representing Highway Users Federation and president, Dana Corp., accompanied by Carlton Robinson, executive vice president, Highway Users Federation.

We welcome all of you here this morning. I guess, Doug, we have you at the top of the list, if you want to lead off. I know you come from Senator Bentsen's hometown.

STATEMENTS OF DOUG PITCOCK, VICE PRESIDENT, ASSOCIATED GENERAL CONTRACTORS, ACCOMPANIED BY H. C. HELDENFELS, PRESIDENT, ASSOCIATED GENERAL CONTRACTORS; JAMES A. CAYWOOD, CHAIRMAN, AMERICAN ROAD & TRANSPORTATION BUILDERS ASSOCIATION, ACCOMPANIED BY DANIEL J. HANSON, SR., PRESIDENT, AMERICAN ROAD AND TRANSPORTATION BUILDERS ASSOCIATION; AND STANLEY W. GUSTAFSON, REPRESENTING HIGHWAY USERS FEDERATION AND PRESIDENT, DANA CORP., ACCOMPANIED BY CARLTON ROBINSON, EXECUTIVE VICE PRESIDENT, HIGHWAY USERS FEDERATION

Mr. PITCOCK. Thank you, Mr. Chairman. I would like to introduce Tony Heldenfels, who is president of the Associated General Contractors this year who has accompanied me today. I am here in my capacity as vice president of AGC.

I would like to say that we sincerely appreciate your taking time from your busy schedule, and our great leader from Texas, Senator Bentsen, taking time from his busy schedule to be here this morning. We are flattered and honored.

We have submitted a statement for the record. By the way, you mentioned George Will's column. In our long statement that you have in front of you, on page 17 there is a very interesting report on a survey made by Congressman Frank Wolf, a Republican from Virginia, where he received questionnaires from 22,000 citizens of the 10th District and in response to a question on raising gasoline taxes for highways. Forty-three percent favored raising gasoline taxes to reduce the Federal deficit. But then when the question was put to them whether they favored raising the gasoline tax for improvement of highways, 61 percent favored such a tax increase.

Senator SYMMS. Doug, before you go ahead, I would like to say that all of your complete statements be made a part of our record. What we would like to do, if we could, is have you all try your best to stay within the 5-minute rule with your oral statements and then your complete statements will be put in the record. Then there will be time for questions that way. So please go right ahead.

Mr. PITCOCK. We appreciate that.

There are several aspects of Senate bill 2315 which AGC endorses. Among them are a requirement that the Secretary of Transportation conduct a study on the procedures used for apportioning 4-R authorizations, a provision providing that interstate substitutions for highways be funded from the Highway Trust Fund, the creation of a consolidated highway safety improvement program, the continuation of separate one-half percent minimum apportionment guarantees for the interstate construction and interstate 4-R programs, the elimination of small categorical programs, the extension of the Highway Trust Fund through fiscal year 1989, increasing the transferability of apportionments among Federal-aid programs and an expansion and streamlining of certification acceptance procedures.

In the limited time I have available this morning, I will not try to cover the many issues and problems facing the Federal-aid highway program. Rather, I would like to stress the one, and really the only one, solution to those many problems and issues—increased revenues—which you have alluded to.

I regret to say that it remains a very basic and unavoidable fact that this Nation's Federal-aid highways continue to be, in the recent words of AASHTO, "grossly underfunded, to the extent that a national crisis exists."

This Nation desperately needs an adequately funded Federal-aid highway program and State and Federal transportation officials and industry representatives are in agreement that an adequate level of funding for the program should not be below $12 billion at this time.

To fund such a program will require the equivalent of an immediate doubling of the Federal highway user fee—an increase AGC has called for since September 9, 1980, when, in testimony before this subcommittee we pointed out that

> The needs justify, indeed demand, that an effective, immediate doubling of the current highway user fee is the absolute minimum increase deemed acceptable at this juncture. To do less will simply fail to do the job.

It is certainly no secret that AGC is strongly supporting Secretary of Transportation Drew Lewis' proposal to increase Federal highway user fees by the equivalent of 5 cents per gallon, which will increase revenues $5 to $6 billion annually. We do so in the firm belief that this Nation's economic future is vitally linked to an adequate transportation system. We do so in the firm belief that Secretary Lewis is offering a realistic, workable, and equitable proposal that provides the user fee revenues and the program authorizations that we believe are required to insure that our highway transportation system will be adequately maintained.

This subcommittee has historically worked to bring about an adequately funded, long-term Federal-aid highway program. We applaud the statement of you, Mr. Chairman, in introducing your bill, that "If it is the decision of Congress and the administration to increase user fees this year, the funding levels of this bill will be adjusted to reflect those increases."

We at AGC fervently hope that it will be the decision of Congress and the administration to increase user fees this year and to enact a multiyear highway authorization with funding levels based on that fee increase.

Should Congress and the administration choose not to increase user fees this year, AGC would favor a 1-year program extension that could also provide for any program modifications and improvements deemed necessary at this point. In essence, should there be no increase in revenues this year, we would hope to get the second year of that 2-year bill many of us supported last year.

In summary, we at AGC believe that the Federal-aid highway program simply cannot be allowed to limp along on a totally inadequate funding base. Continuing to defer much-needed capital investments in our transportation system will result in inefficiencies and increased product costs. It will erode private sector productivity gains and it will most certainly dampen economic recovery. This is particularly true in the construction industry—an increase currently suffering an 18-percent unemployment rate, twice the national average, and an industry which last year saw contractor failures hit a new high.

A few years ago I had the honor and pleasure of serving on the National Transportation Policy Study Commission. In June 1979, Congressman Bud Shuster, who so ably chaired the Commission, released its final report to the public. Speaking for the Commission, Mr. Shuster warned at that time that "The world's best transportation system is in danger, it may not be able to meet the needs of a growing America."

Now, close to 3 years later, very little has been done at the Federal level to take that system out of danger. In fact, it is in even greater danger today, and I agree with AASHTO—our transportation system has deteriorated to the point that a national crisis exists.

At AGC, we believe that 1982 can—indeed, must—be the year in which the Federal-aid highway program is revitalized so that it will once again be able to adequately address the long-term needs of America's highway transportation network.

We still believe what we said before this subcommittee on September 9, 1980. To do less will simply fail to do the job. Thank you very much.

Senator SYMMS. Thank you very much for a very excellent statement.

Mr. CAYWOOD?

STATEMENT OF JAMES A. CAYWOOD

Mr. CAYWOOD. Mr. Chairman, I am James Caywood, and I am president of DeLeuw, Cather & Co., an engineering and planning firm with headquarters here in Washington. Today I am here in my capacity as chairman of the American Road & Transportation Builders Association.

I will abbreviate my remarks. However, I ask that our complete statement be included in the record.

Senator SYMMS. Without objection.

Mr. CAYWOOD. We wish to commend the chairman of the subcommittee for introducing S. 2315, with the bipartisan support of other members, including the chairman and ranking minority member of the full committee and the ranking minority member of the subcommittee. We believe that you have acted responsibly by bringing a bill forward at this time. It is important that proposed legislative language be brought out on the table so that the issues can be discussed in specific terms.

Mr. Chairman, we hope that this subcommittee will see fit to adopt a program of Federal-aid highway authorizations amounting to approximately $12 billion for fiscal year 1983. This level should be increased to approximately $16 billion by fiscal year 1986. These are the minimal dollar requirements for an adequate highway program as developed in testimony submitted by numerous witnesses last year. In justification of this program level, we submit the following brief comments on the major Federal-aid categories.

Congress has established the goal of completing the interstate system by 1990. Present law requires that all remaining segments of the interstate system be under construction by September 30, 1986, assuming adequate Federal funding.

The 1981 interstate cost estimate indicates that the total interstate apportionments for fiscal years 1984 through 1990 should be $26.7 billion. By very simple arithmetic, this is $3.8 billion per year. However, if we are to meet the 1986 deadline, substantially higher authorizations for fiscal year 1984 through 1986 will be necessary. Annual authorizations in the order of $6 billion are fully justifiable.

Authorizations for the new interstate 4R program must be increased dramatically in order to meet the program's expanded requirements. We are faced with over $20 billion of 3R needs. We also have the necessity of funding some $16 billion of work which was deleted from the interstate completion program by the 1981 Highway Act. The program level should be increased to $1.2 billion immediately and should reach a program level of $3 billion per year within 4 years.

The interstate transfer program was intended to give the States the option of deleting certain designated interstate links. States are allowed to substitute highway and/or transit projects in order to meet more critical transportation needs in urbanized areas.

The Federal Government has a good faith commitment to fund the Federal share of such substitute projects within a reasonable time frame. A minimum of $1.5 billion annually is needed in order to accomplish this goal.

The bridge inventory, now virtually complete in all States, indicates a funding need of $2.5 billion in Federal-aid funds annually. The recommended level of funding for fiscal year 1983 is $1.5 billion.

In order to offset the inroads of past inflation, authorizations for the primary and secondary highway construction programs need to be increased at least 50 percent above current levels. On this basis, the immediate program level should be about $2.2 billion for the primary program and $600 million for the secondary program.

A number of suggestions have been made for restructuring the Federal-aid urban program. In view of the wide variety of current suggestions, we would like to reserve any further comment on the urban program for a later date. For the purpose of reaching an estimate of total program costs, we have assumed continuation of the urban program at the $800 million level.

Highway traffic accidents constitute one of the most serious public health problems in the United States. The safety construction program focuses on the elimination of specific traffic hazards, such as highway-railroad grade crossings. It has proven highly effective in accident reduction. ARTBA strongly supports a consolidated highway safety improvement program to cover all of the safety construction activities presently included within title 23 of the United States Code. A minimum of $600 million annually is needed for this consolidated program.

S. 2315 would extend authorizations for the highway program for 4 years, through fiscal year 1986. We agree that highway authorizations should be enacted in 4-year increments in order to give the States a basis for planning their long-range programs. We support the concept of a 4-year bill, with two caveats:

1. The funding levels in S. 2315 are clearly inadequate.
2. The establishment of annual obligation ceilings and the imposition of a further restriction on obligations in the first quarter of the fiscal year is a serious obstacle to long-range planning.

ARTBA supports the proposed consolidation of highway safety programs into a single highway safety improvement program. We support the provision of S. 2315 which calls for states to expend not less than 35 percent of their highway safety improvement funds for rail-highway grade crossing improvements. The grade crossing program is the one element of the proposed consolidated program which involves private funding, that coming from the railroad companies. It is for this reason that an assured level of funding is necessary if the program is to succeed.

S. 2315 would change the apportionment formula for the bridge rehabilitation and replacement program to take into account off-system bridge needs. The bill also calls for the Secretary of Transportation to develop specific criteria for the selection of bridges to be constructed or repaired under the discretionary bridge program. We strongly support both of these provisions.

S. 2315 would reduce the Federal share payable for the rural secondary and urban programs from 75 percent to 50 percent. There are two simple ways to reduce the Federal involvement in these programs. One is to reduce the level of funding. The other is to reduce the Federal share payable. S. 2315 would do both, which results in a very severe slash in these two programs. Of the two methods, we prefer the reduction in the Federal share payable.

The proposed block grant approach for the rural and urban programs has the effect of eliminating the safer off-systems roads program. Such roads would be eligible for funding through the new rural and urban programs. The appropriations committees have been most reluctant to make apportionments for safer off-systems roads in the past. Therefore, the consolidation is potentially beneficial for the off-systems program, which ARTBA has consistently supported. We therefore support this block grant approach.

In its final consideration of S. 2315, ARTBA urges the subcommittee to include clarifying language to reinforce the existing prohibition of the use of convict labor in Federal-aid highway construction. The prohibition, which is found in section 114(b) of title 23, has been interpreted to allow the use of prison-made materials, such as highway signs and other traffic control devices. The use of such materials has caused considerable hardship to the free enterprise system and companies engaged in the manufacture, fabrication and supply of traffic control devices. We support the original intent of the statute that the Federal-aid highway program should utilize private enterprise to the fullest extent feasible.

We would like to take this opportunity to call your attention to a proposed change in the tax law which would prevent most highway contractors from using the completed contract method of accounting to determine tax liability. The great majority of highway contractors are small business firms who depend on the cash flow from progress payments to maintain their operations. In many cases very little profit, if any, is realized until final payment is made, after the completion of the contract. It is only at this point that the contractor can pay his corporate income tax without suffering a severe and inequitable hardship.

It is my understanding that within a few days Treasury plans to issue proposed regulations which in practical effect would abolish the completed contract method of tax accounting. ARTBA therefore strongly opposes any change either by regulation or legislation in the completed contract method of accounting.

The Department of Transportation estimates that the implementation of the expanded highway program, as suggested in Secretary Lewis' initiative, would result in 160,000 new jobs. Approximately 64,000 of these jobs would be directly in the construction field, where double-digit unemployment has been a fact of life for the past several years. We see this as an important stimulus to long-range economic recovery and therefore strongly support the suggested 5-cent increase in highway user fees at this time.

In conclusion, Mr. Chairman, we believe that this is, on balance, an excellent bill which embodies several needed improvements in the highway statutes. Its principal weakness, we must emphasize, is a lack of adequate authorization levels.

In summary, ARTBA strongly recommends the levels of funding as indicated in our testimony. We appreciate this opportunity to express the views of the American Road & Transportation Builders Association and are prepared to answer any questions the committee may have at this time.

Senator SYMMS. Thank you very much, Mr. Caywood, for a very excellent statement on behalf of ARTBA.

Mr. Gustafson?

Mr. GUSTAFSON. Thank you, Mr. Chairman.

Senator SYMMS. We welcome you here this morning also.

STATEMENT OF STANLEY W. GUSTAFSON

Mr. GUSTAFSON. I am Stanley Gustafson, president of Dana Corp. However, I am here this morning as a member of the executive committee of the Highway Users Federation, which is a national coalition of businesses, industries and associations who are convinced of the value of highway transportation. With me is Carlton Robinson, the federation's executive vice president.

This Senate hearing is most timely. We support the aim of S. 2315. However, we believe Congress should enact a long-term highway bill that provides a significant increase in funding levels.

We are here to say four things.

First, better roads are essential to America's economy and enter into many important business decisions. They are also essential to our national defense and quality of life.

Second, America must begin to rebuild its deteriorating road systems right now, because the longer we wait, the worse it is going to be.

The Federal-aid highway program is a good program. It works. But it needs a massive cash infusion. We support a 50-percent increase in funding levels the first year and a doubling of the present Federal dollar commitment over the next 4 years.

Third, Federal money must be spent on the nationally important parts of our road system. We believe in the system concept and in concentrating Federal dollars on nationally important roads.

The fourth thing I want to say is that Congress should extend the life of the highway trust fund over a longer time period and get the trust fund out of the unified Federal budget. Both actions are needed, I believe, to assure that available highway user revenues are actually spent on highway programs.

My full testimony we would ask be submitted for the record, but let me briefly go back over these four points.

At issue is adequate funding of the Federal-aid highway program, focused on roads that are essential to the Nation's economy and defense. American business knows that we can't have a first-class economy with a second-class highway system. Good roads are good for business and good for everyone. Poor roads, deficient bridges, and unsafe highway conditions are bad and nonproductive for all of us.

America's highway needs have been neglected in recent years, while inflation has ravaged highway costs. A major increase in Federal highway financing is needed—right now.

The program spending levels proposed by S. 2315 fail to overcome the present inadequate funding levels. To do the job right, the Federal-aid highway program should be about $16 billion a year by 1986 versus less than $8 billion currently. We hope to see such a level in any long-range highway bill adopted this session, and we will accept user charge increases to support this national commitment.

Obviously, the Federal Government has an important stake in efficient highway transportation or you and I wouldn't be here discussing a new Federal highway bill. We agree with the fundamental premise of S. 2315 and previous Federal highway bills—that Federal dollars should be spent on the relatively few miles of roads and bridges on the already classified Federal-aid systems, and the Federal matching share should reflect the degree of national importance of each system.

Foremost, of course, is Federal responsibility to complete, preserve, and upgrade the interstate system. Construction of the authorized system can be completed by the current deadline if Congress provides the money and the 90–10 matching ratio continues.

Next in order of national importance is the primary system. A 75-percent Federal share is appropriate. But more money to improve deteriorating primary roads is vital.

We also urge you to continue Federal support for the current secondary and urban systems because they are major business and industrial arteries. Because of their lower level of national importance, we support the committee's proposed 50-50 Federal-State relationship.

Collectively, these four systems represent just one-fifth of America's total road mileage, but they carry four-fifths of all traffic, including virtually all interstate commerce. The proper Federal role is to keep these limited miles in good condition.

It is also important that roads be kept in a safe condition. The provisions of S. 2315 that consolidate safety programs into a single funding category will greatly help this process.

We all know that an unbalanced budget is a major national concern. The highway program has not contributed to this problem, but it certainly has been penalized by it. In order to make the Federal deficit seem smaller, the unexpended highway trust fund balance has been allowed to grow unnecessarily large. Money sitting in the trust fund does nothing to improve the Nation's roads. Thus, we urge Congress to extend the life of the highway trust fund and remove it from the unified Federal budget. Then we can draw down on the unexpended balance and use this money for the purpose for which it was collected. As balances go down, higher user fees should be phased in for the expanded road program needed to help put America back on its economic feet.

I can tell you that the highway-using community and the industries that depend on highways believe in the trust fund concept and the user charge principle. Road users are willing to pay for improved road systems. We have testified to that many times before this committee and the other House as well. We believe that the use of these revenues should continue to be limited to highway programs.

My complete testimony expanding and supporting these and other points in detail is attached. Thank you very much for allowing us the opportunity to testify.

Senator SYMMS. Thank you very much for a very excellent statement, all three of you.

Senator Bentsen, do you have some questions?

Senator BENTSEN. Yes, if I may, Mr. Chairman.

First, let me agree with you on the use of the trust fund to try to make some accounting change in the budget and the problem with the unified Federal budget and how that was first utilized to try to cut back on what was an accounting deficit. I look on this as an investment in an asset for the country and not just a 1-year charge-off. It ought to be looked at that way. Unless you continue to take care of it, you see the highway system lack the capital investments that the railroad system in this country had, and then the infrastructure of our country really gets in trouble. So when you charge the fellow to use the highway, then you ought to take the money you charge him and spend it on the highway. I thoroughly support the user concept and will do what I can to further advance it.

Let me ask either one of you a specific question, Mr. Heldenfels or Mr. Pitcock. We are in a continual struggle in this committee on the 4R account, how we make a determination for allocation or what the formula should be for the deterioration of the roads, whether it is lane miles or whether it is vehicle miles traveled. People have a tendency, of course, to look to their own State's selfinterest when we really ought to be looking at the national interest in this regard. Now we have turned this over to a commission for a study. Do you have any other criterions that could be put in there that you think are meaningful in trying to have a fair and equitable formula, other than lane miles or vehicle miles traveled?

Mr. PITCOCK. As an association that represents contractors from all of the States, I don't want to touch that with a 10-foot pole, Senator. No, we don't specifically have a suggestion on proper allocation.

Senator BENTSEN. All right. Then let me ask any of you this question. Have there been any major engineering advances in recent years that would prolong the anticipated or expected life of highways beyond the round number they use of 20 years? Would anyone care to comment on that?

Mr. HANSON. Senator, there certainly have been new design techniques that are used relative to longer sections of pavement without joints and material improvements in structural steel, and that and other components are used in pavements. The design of asphalt pavements has improved considerably. I think you can expect a longer life in the future of the pavements, providing that the traffic volumes do not continue to get heavier and more frequent. The payment life is improving. In the last 10 years there has been a decided improvement in that feature.

Senator BENTSEN. This transferability that has been allowed or increased between the primary or the urban and primary and secondary programs, that is an important provision of this particular bill. Does that really give the States the flexibility they need to determine priorities? Are there any comments on that?

Mr. ROBINSON. Senator, we in our written testimony commented on that point and expressed a feeling that tremendous provision allowing the transferability in the order of 50 percent was really a substantial flexibility, that if you go to as high as 100 percent, it seems to me that the consideration and the decisionmaking of Congress could be thwarted by moneys being moved 100 percent out of one project and into another. We would suggest that 50 is about right.

Senator BENTSEN. Let me ask this one of the panel. Which one of the specific Federal requirements caused the most problems for the local agencies in administering the Federal-aid highway program? What can we do legislatively at the Federal level to eliminate some of those kinds of impediments?

Mr. CAYWOOD. I would say, Senator, that the environmental impact statements are probably the most prohibitive factor prolonging these projects.

Senator BENTSEN. Has headway been made in trying to cut down on some of the time lost in complying with those impact statements?

Mr. CAYWOOD. In the past year or two many projects have been sprung loose that have been bottled up for years and years. One down in Phoenix, Ariz., for instance, has been bottled up for 20 years. That project has been sprung loose. One up in New Hampshire has been sprung loose, too, the Franconia Notch, which has been bottled up for many years.

Senator BENTSEN. Which one?

Mr. CAYWOOD. The Franconia Notch, part of the interstate system. Also Glenwood Canyon, I-70, in Colorado. So there has been some progress, but it still remains a serious problem.

Senator BENTSEN. If you have some specifics in detail of what could be done to accomplish the objective of the environmental procedures and expedite it, if you would give those to us in written form, I would be very appreciative, by any members of the panel.

Mr. CAYWOOD. Yes.

Senator BENTSEN. Thank you very much.

Mr. HANSON. Senator, in the 1978 Surface Transportation Assistance Act you were kind enough to provide for the Everett bypass, in Pennsylvania. This project did prove conclusively that you could reduce the time considerably by getting the units of the Federal and local governments together face to face rather than writing letters and taking 6 months to pass papers. There could be 100 Everett bypasses built in this country at this time.

Senator BENTSEN. There is a San Antonio Expressway that I remember with considerable feeling. That is now in operation and being used by the people of that city and I think enjoyed.

Mr. PITCOCK. Senator Bentsen, I think AASHTO could probably give you more guidance in this about all of the delays. Most of them take place in the planning and design features of the project. By the time they are put to contract, other than maybe administration of Davis-Bacon and a few things like that, the Federal requirements are fairly minor compared to the obligations imposed on the States of getting the project under contract.

Senator BENTSEN. Thank you very much, Mr. Chairman.

Mr. HANSON. Could I add one item on your formula list of lane miles and vehicle miles? You really need to take into account the age of the particular section of the interstate. It should be a factor. It was once in the formula and then it was out. This factor has been in and out twice. Last year in the 1981 act when you developed that formula in conference, I think everybody agreed that it needed to be studied. You wisely have addressed it and I would only suggest that age be added to the other factors.

Mr. PITCOCK. Mr. Chairman, if I could add to that, if we are going to add age, we have to add the traffic count. What is killing us in Houston are these 100,000 vehicles per day freeways, the beating they are taking. The volume is equally as important as age in our view.

Mr. HANSON. Yes.

Senator SYMMS. Thank you very much, Senator Bentsen.

Mr. Caywood, maybe I should ask this of each of you, and you might each want to comment or maybe one could comment for all, but there is a lot of talk now about the imposition of an oil import fee. What would you anticipate the impact of that would be on the Federal-aid highway program?

Mr. CAYWOOD. We have problems with that, Senator. The proposed oil import fee we think would be disastrous to the efforts to establish adequate levels of highway funding at both the State and Federal levels. This would preempt any practical chance of increasing the motor fuel user charge. It would have the immediate effect of increasing the retail price of gasoline and home heating oil by probably 12 cents per gallon. It would fall mainly on consumer products and the import fee would be an exceptionally inflationary tax, since foreign and domestic oil are intermingled in the marketplace. Price increases would be applicable to all petroleum products regardless of the source of the oil. We therefore think that the tax is particularly regressive, falling disproportionately on low-income people.

Senator **Symms**. If the tax was $5 a barrel, which has been talked about, and if $2.50 a barrel were diverted into the trust fund, would you still feel the same way about it?

Mr. **Caywood**. That would be very helpful.

Senator **Symms**. I doubt if that would be possible politically, but it would be helpful.

Mr. **Heldenfels**. AGC would be opposed to all import taxes on that basis because more than 10 percent of the income of the trust fund would come from outside sources which would limit or I think would do away with the trust fund.

Mr. **Gustafson**. Senator, I think also generally we are concerned with that concept because it would jeopardize the orderly adjustment of motor fuel fees which Congress and the States rely on to pay for this essential highway construction maintenance. For one segment of energy users to be singled out for discriminatory-type taxation rather than, you know, having all major new taxes really for general revenue purposes which should be based on as broad a base as possible in our view. A tax on imported oil would seriously bias the marketplace. As the other gentleman previously stated, the price of energy to the American consumer should reflect this market value in order to encourage conservation and to stimulate the increased supply. So simply to sort that one out and use it as a general revenue base, I think we would be concerned with it.

Senator **Symms**. Thank you very much.

Before we dismiss the panel, I want to thank you on behalf of the committee for all of the contributions that you will be making to our deliberations when we start the markup.

There are a couple of other questions that we may wish to submit in writing and have them returned back for the record so we can go on with the hearing. So we will do that. Do you have other questions, Senator?

Senator **Bentsen**. No.

Senator **Symms**. Thank you.

Now we will call up panel No. 2: the Honorable Bobby Joe Raper, the Honorable Nancy Crabb, the Honorable Ruth Keeton, and the Honorable Mary Sherwood Holt.

Senator Bentsen?

Senator **Bentsen**. Mr. Chairman, if I might, I would be very appreciative if Mayor Raper could testify first as I have a conflicting committee meeting which I have to go to and I want very much to be here for the testimony.

Senator **Symms**. We appreciate your being here this morning. I do appreciate your help on this legislation. If you ladies would forgive us, we would like to go ahead and hear first from the Honorable Bobby Joe Raper. So please proceed.

STATEMENTS OF BOBBY JOE RAPER, MEMBER, TRANSPORTATION AND COMMUNICATIONS COMMITTEE, U.S. CONFERENCE OF MAYORS, AND MAYOR, CITY OF IRVING, TEX.; NANCY CRABB, CHAIRMAN, PUBLIC TRANSPORTATION SUBCOMMITTEE, NATIONAL ASSOCIATION OF COUNTIES AND COUNCIL MEMBER, JACKSONVILLE/DUVAL COUNTY, FLA.; RUTH KEETON, CHAIRMAN, TRANSPORTATION POLICY COMMITTEE, NATIONAL ASSOCIATION OF REGIONAL COUNCILS, AND COUNCIL MEMBER, HOWARD COUNTY, MD.; AND MARY SHERWOOD HOLT, MEMBER, STEERING COMMITTEE ON TRANSPORTATION AND COMMUNICATIONS, NATIONAL LEAGUE OF CITIES, AND COUNCIL MEMBER, NEWPORT NEWS, VA.

Mr. RAPER. Mr. Chairman, Senator Bentsen, I am Bobby Raper, mayor of the city of Irving, Tex. I am here this morning wearing two hats. On the one hand I am representing 125,000 people of the city of Irving and on the other hand I am representing the U.S. Conference of Mayors.

My comments will reflect, to the best of my understanding, the feelings of the people of Irving concerning Senate bill 2315 as well as the feelings of most of the mayors represented by the U.S. Conference of Mayors.

Within the conference I serve as a member of the transportation and communications committee. The conference appreciates the leadership this subcommittee has exhibited on behalf of cities over the years, and we are pleased to share our views with you today.

I would like to say at the very start that basically I like what I see in Senate bill 2315. There are several sections that I would like to address specifically.

The urban infrastructure is at the top of many mayors' agendas in cities of all sizes and regions across the country. Our roads, streets, highways, bridges, and public transportation systems are important, not only because they form the urban transportation system but because they also provide the basis for economic growth and development. We cannot have desired economic growth when we do not have the highways, roads, and systems required to move people about our cities and States.

Many cities on their own are raising taxes and adjusting priorities to the extent that we can to deal directly with the infrastructure problem. But for many cities, to efficiently lay the basis for job development and business expansion and retention, the infrastructure problem must be viewed as a local-State-Federal partnership.

Senate bill 2315 makes important strides in recognizing both the infrastructure issue and the necessity for a three-way partnership. Cities find the expansion of the bridge program, the retention of the urban program, the increases in the 4-R program, the movement toward completion of interstate construction, and funding for interstate substitutions to be examples of this committee's sensitive understanding of the problems which face cities today.

Mr. Chairman, in your remarks introducing Senate bill 2315 on the floor, you noted that you were seriously concerned about the inadequate levels of funding for the highway program over the past several years and earnestly believe that an increase in highway user fees is essential to the proper maintenance of our transportation infrastructure and to the timely and orderly completion of the interstate system.

The Conference of Mayors gives full support to your statement of concern for the funding of highway programs. There are few who like to advocate or support a tax increase at any time, even more so in economic times like today. On the other hand, we dare not allow our highway trust fund to run dry.

It has long been the feeling of the people of Irving and the people of Texas that whenever and wherever possible those who enjoy the benefits of Government programs or projects pay the cost of those Government programs or projects. There is an old saying in Texas, and I imagine most parts of this country, "If you want to dance, you have got to pay the fiddler."

All of us realize that total dollars available for national highways and roads are limited. Therefore, it is essential that the best, most fair formula possible be used to decide allocation of these funds.

Last year the interstate 4-R formula was changed from 75 percent lane miles, 25 percent vehicle miles traveled to a 55-45 percent ratio. In my opinion, that was a mistake. It tends in my opinion to penalize States such as Texas with a necessarily larger highway system.

Mr. Chairman, you have introduced legislation which proposes an interstate apportionment formula with a 60-40 ratio. My personal preference is that the 75-25 ratio would be readopted. If this is not possible, then I strongly support your move to a 60-40 ratio.

Every effort must be made to insure that each State receives back as much of the funds as possible that that State sends to Washington. The Federal-aid urban system is one of the most important of all urban programs to the Nation's cities. It is targeted to improving the status, condition, and performance of roads in urbanized areas. The transportation network of my own city, region, and State have greatly benefited from FAUS, which was a product of this committee's efforts several years ago. There is no substitution for FAUS at the local level.

The administration has proposed the elimination of FAUS. This bill proposes its retention, and not only its retention but its improvement by transforming FAUS from a system into a program.

The Conference of Mayors is grateful to this committee for its support of this vital program. Mayors are concerned, though, regarding the reduction in the Federal matching share of the urban program from its current level of 75 percent down to 50 percent. While we recognize that the urban program projects are regarded as a lower priority, the conference feels that the committee can adequately make this point through the authorization level which is held constant at $700 million through 1985 and then lowered to $600 million in 1986. Dramatically raising the matching share which local governments will have to come up with for the same grant will have a very bad effect on cities. Most city budgets are strained to the limit now. To double the amount we have to put into a project as matching funds would in effect kill many sorely needed projects.

In the city of Irving, us being the sixth fastest growing city in the United States, the third fastest growing city in Texas, we are enjoying an economic structure that we realize many cities in the United States don't have. But it would be a great imposition on us to have to double that portion of it. I can imagine how it would be on other cities. As deliberations continue, we urge your reconsideration of this point.

If the committee is determined to move in the direction of a lower than 75 percent share, we hope you will look at the possibility of doing it in steps and not all at once.

The interstate substitution provisions of the Federal-aid highway program are among the most important provisions for cities ever enacted by this committee. It has enabled some 25 cities across the country to have the flexibility to make transportation decisions for their own communities without suffering the penalty of giving up access to Federal resources for transportation improvements.

No one knows better the needs of a local community than the local leadership of that community. This bill contains an important initiative by permitting those substitution projects that are highway projects to be paid for from the highway trust fund. This is an important proposal which will help to facilitate a quicker closeout of transfer projects.

There is one provision of the transfer program for which we ask reconsideration. This is the provision that states that there will be no adjustment for inflation or cost increases on withdrawn segments after 1983. This places local officials in the position of selecting or having selected an option which meant less funding for their community. If a city stayed with interstate construction, that segment would receive a biannual cost increase. If it substituted, the funds would not be adjusted after 1983. Once balance is removed from the value of segments, the ability to make long-range transportation choices based solely on merit will be removed. We urge the reconsideration of this provision.

Mr. Chairman, Senate bill 2315 is a solid start toward much-needed reauthorization of federal highway programs. We look forward to working with you toward securing additional revenues for all highway-related programs and for effective highway provisions for the Nation's cities. I thank you for your time and attention, and the Conference would be pleased to take any questions the committee might have. Thank you.

Senator Symms. Thank you very much, Mr. Raper.

Senator Bentsen. Mr. Chairman, if I may be excused, I do have a conflicting engagement. I apologize to the rest of the panel.

Senator Symms. Thank you very much, Senator. We are happy you were able to be here this much.

Our next witness is Nancy Crabb, chairman, Public Transportation Subcommittee, National Association of Counties, and council member, Jacksonville/Duval County, Fla.

STATEMENT OF NANCY CRABB

Ms. Crabb. Good morning, Senator. I apologize for bringing a Florida cold to Washington. I hope that I take all of my germs back with me.

I am a councilwoman from Jacksonville/Duval County, Fla., and I am vice chairman of the National Association of Counties' transportation committee. Today I represent the views of the National Association of Counties regarding the subcommittee's bill, S. 2315.

I have submitted some written remarks, and I would like to just summarize a few of them today.

Senator SYMMS. Without objection, your entire statement will be made part of our record. We welcome your summarization.

Ms. CRABB. Thank you, Senator.

Most of my remarks will focus on the six areas you highlighted in your invitation. I would like to comment briefly on the interstate completion program.

NACo reaffirms its commitment to the most cost-effective approach to interstate completion. In light of budget restraints, NACo urges Congress to take a more rigorous approach to interstate redefinition and consideration of essential gaps. Of course, being from Florida, I consider I-95 and I-75 essential gaps.

The interstate 4-R program—rehabilitation, restoration, resurfacing and reconstruction—NACo recognizes this program is vital to the preservation of our Nation's most important highways; and, therefore, we support higher 4-R funding levels and increasing the Federal share to 90 percent.

We support a review of the existing 4-R formula. A wide range of factors suitable for inclusion in the 4-R formula need to be examined.

Now as to the Federal-aid secondary and urban systems, NACo supports the subcommittee's retention of the Federal-aid secondary and urban systems as part of the Federal highway system. Cuts in the local rail assistance and Conrail programs will increase heavy truck traffic on secondary roads and escalate their deterioration. Local and State governments could then be faced with financing the total cost of replacing up to 95 percent of the Nation's secondary road mileage before the 1990 date predicted in DOT's "Status of the Nation's Highways Report." This could cost $56 to $59 billion nationwide.

A decrease in the Federal share of the urban and secondary systems to 50 percent is unacceptable to the counties. This will act as a disincentive to States' support for secondary and urban systems. Local governments cannot make up the difference in lost Federal assistance. One reason is because State laws frequently restrict our sources of revenues and the right to raise local revenues.

A 5-percent decrease in the Federal share is acceptable. The results of a survey of transportation steering committee members indicate that is acceptable to counties, if accompanied by significant reductions in Federal regulations and standards which raise the cost of Federal highway projects.

One hundred percent transferability of funds between the primary and secondary and urban systems, already discussed this morning, is acceptable only if affected local officials are consulted and concur in the transfers.

As to certification acceptance, NACo supports the subcommittee's more flexible approach to the requirement for final Federal inspection of each project. We endorse the subcommittee's support for interagency agreements between DOT and other agencies to eliminate duplicative environmental reviews.

NACo supports the expansion of the process to an even wider range of projects, as the administration proposes in its draft legislation. We support the subcommittee's greater reliance on adequate State laws to implement environmental requirements.

As to category consolidation, NACo endorses the subcommittee's choice of programs to be included in an expanded rural program, since they are all primarily rural in nature and compatible with the Federal-aid secondary. Higher authorization levels are essential for the vastly increased rural program the committee is proposing. Under this proposal, the mileage of roads eligible for federal assistance would double from 400,000 to 700,000.

NACo would support inclusion of minor rural collectors in an expanded rural program if authorization levels are raised and 70 percent of the funds are targeted to projects on major collectors.

We recognize the desirability of giving States and localities the flexibility to fund transportation projects through the subcommittee's rural program. This is another reason for the need for higher authorization levels than have been proposed.

NACo still regards an adequately funded and separate section 18 program as essential to preserving a public transportation alternative for rural areas.

Under the bridge program, NACo supports continued Federal assistance for bridge replacement and repair and the inclusion of the square footage of off-system deficient bridges in the apportionment formula.

NACo supports giving off-system bridges needs equal weight in the apportionment formula, permitting States and localities to cooperatively set priorities.

NACo supports the subcommittee bill's provisions specifically including bridges on major collectors in the definition of on-system.

NACo would not support repealing the requirement that a minimum level of funding be spent on off-system bridges.

NACo urges that the minimum level which can be spent on off-system bridges be raised to 25 percent. One out of every four local off-system bridges is structurally deficient and one out of every three is functionally obsolete.

As to the highway beautification, existing provisions will be examined at our next transportation steering committee meeting. Existing highway beautification provisions, obstructing State and local government zoning rights to remove billboards and signs, are a concern of NACo.

Last, on the increased motor fuel and highway user tax, NACo supports an increase in Federal motor fuel taxes and other user taxes, particularly those that apply to heavy vehicles, if the additional revenues will be available for projects on the Federal-aid secondary and urban systems. Secretary Lewis' proposal to raise user fees by 5 cents and set aside 1 cent for transit is consistent with NACo policy.

I will be glad to try to answer any questions that the Senator has and participate in any further discussion. Thank you for allowing us to appear before you.

Senator **Symms**. Thank you very much. We appreciate your testimony and hope that you get to drink enough Florida orange juice to take care of that cold.

Ruth Keeton?

STATEMENT OF RUTH KEETON

Ms. **Keeton**. Thank you. I am Ruth Keeton, a member of the Howard County, Md., Council. I chair the National Association of Regional Councils' Transportation Policy Committee and for the last 8 years have represented my county council on the Baltimore Region Planning Council, which has a population of 2.4 million, slightly over half the population of Maryland. During that period, I chaired the transportation committee there, and we have worked very closely with the State.

Maryland has a motto that works well, to think through what are the best ways to coordinate transportation, economic development, environmental concerns, into a plan that can contribute to the quality of people who live in that region.

I appreciate the opportunity to speak before you again and want to applaud you, as I read your comments at the time of introduction, on having built a cooperative pattern of addressing the highway needs. For those of us who come to Washington and find that kind of reality of addressing the needs of the country and to learn that it can be cooperatively done is something for which I have very much respect.

Senator **Symms**. Thank you.

Ms. **Keeton**. Regional councils, as I am sure you know, was initiated in 1967 to help local government elected officials work together to solve their common problems. We cut across both metropolitan and rural areas. There are 650 such regional councils. Of those, 160 have been formally designated as metropolitan planning organizations. These are regions, SMSA's, of 50,000 or more. We have the responsibility for urban transportation planning of highways, mass transit and airport systems. As I have affirmed, it works very well.

The National Association of Regional Councils' Transportation Policy Committee has met on numerous occasions over the last 2 years and we have learned to add up the figures and to know what the realities are. When we testified last April, we supported and urged you to pass a multiyear highway bill and are delighted to see your legislation. We have also testified consistently for an increase in highway user fees.

In Maryland, the legislature just this month agreed to an increase of 2.5 cents this year and 2.5 cents additional in the coming year, and we are all up for election. So if that is of any encouragement to you, I just want to say it is possible to go and do it when the highway needs are so apparent.

We want to specifically support a number of the areas of your legislation. We support your effort to reduce the cost of completing the interstate from $53 to $38 billion and to shift your focus to maintenance of the interstate as passed in your highway bill last year.

We realize that you are operating within a fiscal constraint this year, but I would join with other members of this panel in saying that we feel that the reality of the dollars is not addressed in a number of these areas.

In my own county, we have a $3 million budget for road resurfacing this year. I was appreciative of your George Will's article. I am going to quote that one, particularly about maintenance as measure of a society's vitality, and to assure my colleagues we can't be increasingly deficient in that area. So thank you for quoting George Will.

Local governments are struggling to keep their local roads maintained. All across the Baltimore region State roads and federally funded roads are controlling land use. It is our highways that are going to be the deterrent for the kind of reasonable growth and the utilization of the other public resources—schools, water, sewer—that will take place. But it is the roads, the congestion and the lack of access that is going to be the bottleneck. So we are delighted that if this legislation goes through, that we can continue to count on the support of the Federal Government for our local roads.

We are delighted to see Federal urban systems continued. We are concerned about the 50-50 percent match. We would oppose this increase in the local match since we are increasingly picking up responsibility after responsibility without any additional taxing authority.

There are several references in the legislation to joint determination by the State and by local officials. We think that that is a realistic way to have the best decision and to make progress quickly.

I want to give you an example of the advantage of having a metropolitan planning organization in that circuit. When the city of Baltimore decided to give up completing a piece of Interstate I-70, we worked with the regional planning council taking the leadership and in a 3-month time frame—to think, it is almost a record—we agreed on how to handle those transfers with the concurrence of all of the local jurisdictions as well as the State's Department of Transportation, the Governor, and the Federal Transportation Department. So where very often you can be hung up because a local jurisdiction has a limited perspective, we have all learned what it takes to make the economy as a unit work in our situation. I think that was a good test case.

We can assure you that the work we do on environmental impact statements and other coordinating efforts could be easily utilized for those requirements that have previously been limited to Federal procedures. We would be happy to continue to suggest to you any way to save time, to coordinate programs and to coordinate levels of financing.

Senator SYMMS. Thank you very much, Miss Keeton.

Now we would like to hear from Mary Sherwood Holt. Then we will have a few questions for all of the panel.

STATEMENT OF MARY SHERWOOD HOLT

Ms. HOLT. Thank you, Mr. Chairman. You do have a copy of my testimony. I understand that.

Senator SYMMS. The entire statement well be put in the record.

Ms. HOLT. So I will not read it. What I would like to do is just hit two of the points that I know this committee is particularly interested in.

Before I do that, I will, however, join in the amen corner here which is all applauding you and your committee for your work on this bill. That is not just a whole lot of words to start something off. We are really awfully glad you have taken the leadership to do this.

The area on which I will expand my written remarks is first on the appropriate Federal role for the secondary and urban programs. I know you are interested in that. Second, I will talk about this whole concept of transferability.

I will begin by saying everything that Mayor Raper from Texas said to you about the problems of the localities in raising their own source of funds to pay for these systems pertains to every city in this country. We don't have local user fees that we can turn to. We wish we did. We certainly do believe in them in Newport News. But most cities have less then 20 percent of their funds, which come from user fees. Most of it comes from the property tax, and the property tax is a regressive tax. The folks out there all across the country are protesting it increasingly. We just can't go very much further on that. We certainly do support the concept of user fees. The highway trust fund is basically made up of user fees.

Now, we are very aware, of course, that the Federal Highway Administration has called for termination of Federal aid to the urban and secondary systems. That is one of the reasons we are grateful for your support. I don't want to sound ungrateful for half a loaf, but we are concerned that the localitie's share of funding these roads would increase from 25 to 50 percent of the cost, which is doubling our commitment at a time when we really don't have any way to raise that money. Since it is user fees basically that we are talking about with the highway trust fund, it seems to us that possibly the question should not be what is the appropriate Federal role for secondary and urban programs but what is the proper allocation formula for these user fees which are being raised from the users of the highways, principally, of course, the fuel taxes, and are being returned to these same folks through the construction of the roads. What should the proportion be?

There should be some relationship, we feel, on where the fees are raised from, how much is raised, and where they are returned to. The reason we say that is because it is pretty clear that the urban areas, which is where most of the user fees are, most of the fuel taxes, most of those revenues are raised, are getting back about one-third of the moneys that they contribute to it. This really does concern us. We don't really think it is fair for our folks to be paying the user fee taxes and paying their property taxes for roads and for parts of the infrastructure that are going to be built someplace else.

Now, when I sound a little vague on the amount of money that comes from the urban areas and goes back to the urban areas, it is because there does not seem to be, as far as I can find out, any really reliable data. There is no formula for collecting this data or recording it that really will tell us where the money is coming from.

So it seems to me that the Federal role here lies, as I said, No. 1, in devising some equitable relationship between the source of the funds and where the funds are being returned. The Federal Government is really a broker here. I think that is what you need to look at. It would be a real help if you could help in establishing a data base for determining where these funds really are coming from and where they really are going to.

Now, No. 2, this question of transferability. Certainly we all applaud this concept, the transfer, and the flexibility. It sounds just marvelous. But we are sort of afraid that if 50 percent more is made transferable by the States, we in the local will end up getting nothing at all. I am certainly not speaking to every State, but we have a problem, I guess is what you would have to call it in Virginia. I don't think it is all that different other States.

About a year or so ago a staff member of NLC asked me to go back to Newport News and find out how much FAUS funds Newport News was getting and how we were using them. It seemed like a simple question. We have a pretty good staff in Newport News. So I went back and asked the question, and the next report came back saying we have absolutely no idea whatsoever. We don't know. We don't know because the State doesn't tell us.

What they do in Virginia, what the State Department of Highways and Transportation does, is commingle all of these funds. They all go in the same pot. They have their transportation districts all over the State and they allocate funds to the transportation districts and they pay for it out of their pot of money. I am telling you, we have no way of knowing.

Now, I read the proposed legislation and I spent an awful lot of the day Monday speaking to the people in the State Department of Highways trying to get really clear on why we didn't know how much money is allocated to the city of Newport News, and I said this legislation and other legislation clearly says that it must happen with the concurrence of the affected local officials. It says that and that is good. They said: "Oh, well, Ms. Holt, you do have some input because we have preallocation hearings in each of our transportation districts and you can come speak to those." I said, "Yes, sir, I know we can come speak to those, but that is not the same thing as having the right to say no, we are not willing for Newport News' funds to go to Richmond or Norfolk or wherever. It is quite different." We really don't know.

We are troubled that it would be even worse if there is 100-percent transferability.

What the National League of Cities would like, and what we think would help solve this problem, is basically to ask the committee to consider allocating urban funds directly to the large MPO's so that these areas may determine specific project priorities within their jurisdiction.

Senator SYMMS. In other words, you are saying that local priorities are often not met by the State government.

Ms. HOLT. Yes, sir.

Senator SYMMS. You are advocating a direct allocation.

Ms. HOLT. Yes, sir; in the case of the larger cities. Indeed, in the medium and smaller cities, we feel that if urban highway funds were allocated to the MPO's, the regional planning organization, that that would help the smaller cities because we discovered it is not just the big cities. The smaller cities have the same problems.

Senator **Symms**. Thank you very much, Miss Holt. Do the rest of you agree with that suggestion she is making? She is talking about the problem of getting local priorities. Local transportation priorities are not often given the proper attention by the States. She is recommending there be direct allocation.

Mr. **Raper**. Mr. Chairman, in Texas we haven't particularly had that problem. Not that, you know, every one of our needs we think is addressed as expeditiously as we would like to have them all the time. And I certainly can relate to the problem. But we feel like the State Highway Transportation Committees are doing a fairly good job in recognizing each one of the local city needs and working with us along that line.

Ms. **Crabb**. May I comment? Particularly in the area of commingling the funds, the Federal funds cease their identity I think as soon as they get into the State. They are then recategorized and renumbered and renamed, or whatever, and they come out with a whole different name, such as M-1 funds or something like that, or whatever the category happens to be. We lose the identity of the Federal, State, and local mix and match. So it may help for clarification for some restriction on that.

And then I think that there is too much State priority in many instances already. When they sort these funds out in so many categories and we have had a lot of problems with this in Florida—I was glad to hear another State may be having a similar problem—the accounting is an absolute nightmare and impossibility. To try to find out how much you are actually getting for your district or region within the State is an impossibility. You just can't ever trace it back. So I don't feel like the funds are being handled in the best way possible. Maybe a direct allocation to the larger areas would be more reasonable.

Senator **Symms**. Thank you all very much.

Senator Burdick?

Ms. **Keeton**. May I comment, Mr. Chairman?

Senator **Symms**. Yes.

Ms. **Keeton**. Would you mind, because I have a little different perspective.

Senator **Symms**. Go ahead, Miss Keeton.

Ms. **Keeton**. In our case, the State of Maryland has a trust fund that includes all modes and the distribution of urban systems funds comes directly to our region with the set-aside for the city of Baltimore and a balance for the five other jurisdictions. We negotiate annually on those priorities. That is accepted and supported in the State budget.

Ms. **Holt**. Could I comment, Mr. Chairman? I think you are very fortunate in Maryland and Texas to have that cooperation and coordination with the State. But I think you will find that there are a great deal more States similar to Florida's situation and to Virginia's situation.

Ms. **Keeton**. Yes. But I am supporting designation back.

Ms. **Holt**. I wasn't disagreeing with you.

Senator **Symms**. Thank you all very much for very excellent testimony. It will be very helpful to us in our deliberation. We appreciate your appearing with us this morning.

Now we will call up Dave Burwell, Robert J. McFarlin, and Robert Johnson.

Senator **Burdick** [presiding]. This is Dave Burwell, director, Public Works and Transportation, National Wildlife Federation; Robert J. McFarlin, chairman, Transportation Committee, American Consulting Engineers Council; and Robert Johnson, executive director, Minnesota Good Roads.

Welcome to the committee. Proceed in any manner you wish.

STATEMENTS OF DAVE BURWELL, DIRECTOR, PUBLIC WORKS AND TRANSPORTATION, NATIONAL WILDLIFE FEDERATION; ROBERT J. McFARLIN, CHAIRMAN, TRANSPORTATION COMMITTEE, AMERICAN CONSULTING ENGINEERS COUNCIL; AND ROBERT JOHNSON, EXECUTIVE DIRECTOR, MINNESOTA GOOD ROADS

Mr. **Burwell**. Why don't I go ahead, Mr. Chairman. My name is David Burwell. I am the director of special programs for the National Wildlife Federation. I would like to summarize my statement with the request that the entire statement be put in the record.

Senator **Burdick**. Without objection, so ordered.

Mr. **Burwell**. I think I am going to betray my libertarian tendencies in my testimony today and advocate a sharply reduced Federal role in at least part of the Federal-aid highway program.

The Federal Government does have a very strong interest in certain elements of the highway program. In 1916, when the first Federal-Aid Highway Act was enacted, the Federal interest was a very clear one—to get us out of the mud. This role expanded over the course of the last half century. After the Second World War, an aggressive construction program was needed to meet an expanding population. And in 1956, the interstate highway program was added for our defense and commercial needs.

However, in 1982 we have a much different Federal role, I believe, in the Federal-aid highway program than we had even 20 years ago. This bill cannot be evaluated in isolation from either the horrific Federal budget deficits that we are facing in this country or in isolation from the deterioration of our existing system.

In this context, I would like to quote a man who the National Wildlife Federation has had certain disagreements with in the last year, and that is Secretary Jim Watt. We don't agree with a lot of things that the Secretary says, but at least as far as the highway program is concerned we strongly believe in his approach of protecting what we have before we reach out and grab for more. I think that that has to be the approach we take with respect to our Federal highway program, and to place our priorities on what we have now rather than reach out for additional capital construction.

With particular respect to the interstate system, we are now 95 percent complete. It will cost almost as much to complete that system as it cost to construct the first 95 percent. The analogy to the Clean Air Act is apt. It is widely recognized that we can clean up 95 percent of the pollution at a certain level of commitment by our industries, but the clean-up of the last 5 percent of air pollution will double the entire cost of our clean air budget. This is precisely the problem we have with our interstate highway program. We have constructed 95 percent of it, but the last 5 percent is going to be enormously destructive and expensive.

Therefore, we believe it is time to seriously consider the termination of the Federal-aid highway program as a construction grant program altogether and to evaluate the costs and benefits of merging the Federal Highway Administration and UMTA into a unified surface transportation agency. The STA, Surface Transportation Agency, would concentrate on maintaining the existing physical system while providing technical assistance and leadership to the States in promoting transportation system management improvements to existing highway and transit systems. It could also provide technical assistance to State-funded capital programs. It would vastly reduce a 5,000-person Federal Highway Administration staff that, very frankly, is obsolete. This highly professional staff was assembled to implement the most ambitious public works program ever undertaken by this Nation—the construction of over 300,000 miles of interstate and other Federal-aid highways. It has done its job well. But the time has come to evaluate our highway program in light of public priorities of 1982, not 1956. Failure to do so would almost certainly lead to the accelerated deterioration of our existing national transportation infrastructure, spiraling deficits, and a public increasingly annoyed at a Government that cannot get its own house in order.

The need to shift gears entirely out of the capital program is underscored by the previous testimony and by your statement, Mr. Chairman, of the existing interstate 4-R and bridge replacement needs of $67 billion, which is the figure you gave upon introduction of this bill. Even at the vastly increased level of 4-R and bridge funding totaling $1.8 billion in fiscal year 1983, proposed in S. 2315, unless highway construction costs increase at an annual rate of less than 3 percent, the total cost of repair will increase. Given an historical trend of well over 10 percent annual increases in the highway construction cost index, a 3-percent growth rate is unrealistic. Frankly, this proposed legislation will not make a dent in the accelerating cost of maintaining our existing highway system. By switching entirely to a maintenance posture, the Federal Government could finally get ahead of the highway deterioration problem and in the process substantially reduce the Federal payroll.

Specifically, as to comments on the bill before us, it is a good bill. It is moderate in tone, recognizes the necessity of a strong Federal commitment to the 4-R and bridge program, and promotes flexible use of Federal transportation assistance. We specifically support increased emphasis on 4-R and the broadening of 4-R eligibility to include fringe and corridor parking. Any interstate construction within beltways will be highly problematical in the future and all measures which reduce long-term traffic forecasts for urban interstate corridors should be encouraged.

However, we do not support the optional transfer of the 4-R apportionment to the capital account as allowed by section 107. This will encourage States to place capital construction ahead of rehabilitation and exacerbate the long-term maintenance problem.

Given the fact that the Federal Highway Administration places 4-R needs at $1.6 billion, there is no need for this transfer provision.

We would also like to underscore the testimony of Mayor Raper and strongly support continuation of the Federal role in the Federal-aid urban systems as well as the expanded eligibility requirements covered in the bill. Hopefully these relaxed eligibility requirements will encourage local officials to fully integrate urban highway projects into broader community development planning activities.

As for the reduction in the Federal share of the FAUS program from 75 to 50 percent, this will clearly inhibit the use of such apportionment for public mass transportation. Therefore, without increasing the total Federal apportionment, we propose that FAUS funds transferred to transit projects be eligible for funding under the UMTA Federal ratio. This would encourage project selection on the basis of merit rather than on the basis of the matching Federal share.

While we do not support the transferability of rehabilitation funds to capital projects, we fully support increased transferability among capital programs. This includes the proposed transferability of virtually any interstate highway, the transferability of FAUS funds among urban areas within a State, and the complete transferability between primary, urban and rural programs at local option.

While there is a danger that increased transferability will allow Federal assistance to flow into projects of marginal Federal interest, it is our prediction that urban highway needs are so extensive that the net flow of transfer funds will be toward the urban program in which there is a strong Federal interest.

On the other hand, we oppose the proposed cap on the interstate transfer at the 1983 cost estimates. This provision, if enacted, would virtually eliminate interstate transfers since States would receive interstate highway funds on the basis of the interstate cost estimate at the time of construction while transferred projects would have the Federal share frozen at the 1983 level. With over 700 miles of urban interstates to complete, which are primary candidates for transfer based on present urban transportation needs, it is counterproductive to the Federal interest to penalize transfers in this manner. Either the cap on Federal funding of transfers should be eliminated or the Federal share of the entire interstate program, whether transferred or not, should be frozen at the 1983 level.

Section 124 of S. 2315 eliminates the requirement that Federal officials personally inspect projects upon completion of construction. Coupled with the existing provisions for certification acceptance of preconstruction activities under Section 117 of the Federal-Aid Highway Act, plus the study of a proposal to accelerate project approvals contained in section 134 of the bill, this provision would almost eliminate the Federal oversight role in project development and construction. We question whether this retreat in Federal supervision would encourage noncompliance with Federal design and environmental requirements and exacerbate the increasing problem of fraud in the highway construction industry.

The inevitable consequence of relaxed Federal oversight and the elimination of procedural safeguards for consideration of environmental, social, and economic effects will be the approval of more ill-designed and perhaps unnecessary projects that do not merit Federal assistance. If there is a sufficient Federal interest to spend $8.2 billion in Federal funds on highway programs, then there is a sufficient Federal interest to make sure these funds are not squandered.

Finally, a few comments on provisions of particular interest to the federation.

First, the interagency agreements requirement for non-DOT licenses and permits is unnecessary and perhaps damaging to the objective of accelerated project approvals. Unnecessary since the post-environmental review design stage is an extended process that almost always exceeds the 180-day deadline for acquisition of all non-DOT approvals contained in this proposal. Therefore, this is a "hurry-up-and-wait" requirement that does nothing to speed up the project development process.

Furthermore, there is no assurance that all the information necessary for non-DOT approvals can be generated within this statutorily-mandated timeframe. This will force other Federal agencies to deny the needed approvals simply because they cannot meet this arbitrary deadline.

Finally, we have no objection to the emergency relief provision of section 120 of the bill. However, the federation has long objected to Federal participation in infrastructure development in environmentally sensitive areas, such as barrier islands, high storm hazard areas, and flood plains.

We request that a provision be put in the emergency relief section that would prohibit Federal assistance to undeveloped barrier islands. These are identified in our testimony. This is consistent with a proposal that is presently before this committee, S. 1018, the Coastal Barrier Resources Act, which is sponsored by Senator Chafee and which is scheduled for markup on April 28.

Mr. Chairman, thank you for the opportunity to testify, and we look forward to working with this committee to promote a healthy transportation system and a healthy environment.

Senator SYMMS [presiding]. Thank you very much, Mr. Burwell. I appreciate your testimony.

Robert J. McFarlin.

STATEMENT OF ROBERT J. McFARLIN

Mr. McFARLIN. Thank you, Mr. Chairman. My name is Robert McFarlin. I am an engineer practicing in the State of Minnesota. My firm designs bridges and highways. I am here today as chairman of the Transportation Committee of the American Consulting Engineers Council, which is a federation of 3,800 firms, approximately 100,000 individuals, and we design a large portion of the bridges and highways of the Nation.

We appreciate the opportunity to be here to testify and request that our written testimony be made a part of the record.

Senator SYMMS. Your entire statement will be a part of our record, as will Mr. Burwell's.

Mr. McFarlin. I would very briefly like to touch on a few high points of that statement, if I may, Senator.

The most important problem that we have seen involves the relationship of inflation and the fixed rate taxes by which the highway program has been funded. Four cents a gallon, when it was enacted 23 years ago, was approximately 12 percent of the retail price of gasoline. If you had enacted it in that form, that is 12 percent of the retail price, it would have grown to approximately 15 or 16 cents a gallon today. It is still 4 cents. The difference between 15 or 16 cents and 4 cents represents a real difference in funding commitments to the program today as compared to 23 years ago. Inflation devastates a fixed rate tax. The people tend to not realize that as it is going on.

This program has had a decrease in its purchasing power that has gone on for about 17 years, the entire period of the large inflation. Therefore, your bill with as much funding as you can write into it, only has about two-thirds of what a minimal program should be and about half of what an adequate program would be in terms of total funding.

This is a very, very severe problem from our standpoint and difficult to explain to the public. We recognize the political problem involved in it.

Compounding that has been the recent impoundments in the Trust Fund and their inclusion in the unified budget, both of which we oppose.

The easiest way to get more bounce for the buck is to improve the regulatory problem, and in that sense we want to support Mr. Caywood's earlier answer to Senator Bentsen's problem. The environmental impact regulatory burden is extremely severe, again more so than is generally realized.

To give a specific example, we have attached to our statement a chronology of a small project in Minnesota. It is a bridge replacement which touched on public recreational land but had no reasonable environmental effect of any kind. It had no opposition from even one citizen at any time. It ought to have been put under contract within about a year or less of the time that it started in design.

It took 5 years in total to get it from the drawing boards to the construction phase. It is under construction now, having started in 1977. The extra 4 years was entirely consumed on Federal paperwork.

Again I emphasize it is not an environmentally sensitive project and it is not a project where there was any opposition. The cost of the project escalated from about half a million dollars to $800,000, the city had a dangerous bridge for 4 years longer than it should have, and the city paid the cost of the reports.

Senator Symms. Is this one in St. Louis Park, Minn.?

Mr. McFarlin. Yes, sir, that is correct. And it is one that we happened to develop the chronology for, and so it is a good example.

Senator Symms. What were the main reasons for the delay?

Mr. McFarlin. It is the normal environmental impact procedures, Senator. The situation was not unusual at all.

Senator **Symms**. It is just the normal standard procedure, whether there is an environmental problem or not is what you are saying.

Mr. **McFarlin**. Yes, sir.

We have other projects in the State which started earlier than this one and are not under construction yet and have gone through the same thing.

Senator **Symms**. That is because it did touch on a park is what your point is.

Mr. **McFarlin**. Yes, sir.

Senator **Symms**. Thank you very much for a very excellent statement.

Mr. Johnson, executive director of Minnesota Good Roads.

STATEMENT OF ROBERT M. JOHNSON

Mr. **Johnson**. Thank you, Mr. Chairman. It is a real honor for a country boy from near New Prague, Minn.——

Senator **Burdick**. Welcome.

Senator **Symms**. Where is New Prague?

Mr. **Johnson**. It is near the Twin Cities. Senator Burdick has some fond memories of the town.

Senator **Symms**. Senator Burdick?

Senator **Burdick**. May I make a personal reference? My wife came from New Prague.

Senator **Symms**. It must be a good place then.

Mr. **Johnson**. Senator, I happened to have the honor of testifying before Senator Burdick in Fargo, N. Dak., a year ago. We happened to find this out during the testimony.

My name is Robert Johnson. I am executive director of Minnesota Good Roads.

Minnesota Good Roads is a State-wide organization which includes local government officials, business interests and labor groups. The organization's only purpose for being is the promotion of a safe and adequate highway system in the State of Minnesota.

Minnesota Good Roads is affiliated with the Better Roads and Transportation Council, a nationwide organization of transportation betterment groups in about 50 States.

Minnesota's economy is highly dependent on agriculture and the agricultural economy of the State is highly dependent on an updated, modern road system that will transport the wheat, corn, soybeans and other bulk commodities to the nearest river port, the Port of Duluth/Superior or rail terminals. With the abandonment of many of the branch line railroads, extreme pressures are being put on the rural road transportation system. And furthermore, many of our roads during the spring months of the year have to be restricted to loads of 7 tons or less. Because of this, the cost of transporting these agricultural products is increased, with less return to the farmer, thereby adding to the woes of the producer whose prices are now severely depressed.

Not only is our agricultural economy depressed but our construction industry, and its labor force, is suffering from the lack of funding to rebuild and reconstruct this tired old system. Much of our construction equipment, and a huge percentage of our construction labor force, is now idle. Wouldn't it be better to provide the funds so that our roads and streets could be reconstructed rather than paying out unemployment compensation?

Minnesota motorists also are suffering from the inability of several road authorities to keep up with the necessary rebuilding of roads. Broken springs, tire blowouts, accidents and, most of all, loss of life from unsafe roads, are the result.

I have a personal tragedy in my life. My son was killed 3 years ago on a narrow road between the little towns of Lakeville and Farmington, leaving a little boy 2 months old and a little girl 3 years old. I feel that had it had a wide shoulder, the odds are he would be alive today. Minnesota will continue to put forth its best effort to provide the road system we need. We now have a 13-cent gas tax and we have revamped our auto and truck license fees so that they are near the top in the Nation—and all of these dollars are dedicated to the highway transportation system. But it has not kept up. Even with these fees, the Minnesota commissioner of transportation, Richard P. Braun, has said that under current funding, roads that should be rebuilt every 25 to 35 years will have to wait a minimum of 300 years. Some of us I don't think will be around to see it.

We need to increase the percentage of our national income into our transportation system just to maintain the road system as it is today. In the past there has been an excellent working relationship between the Federal, State, and local units of government, and this must continue.

Minnesota Good Roads supports the following eight points.

One: Highway and transit authorizations available under the 1978 Surface Transportation Act expire on September 30, 1982. It is vital that new Federal legislation be passed prior to October 1, 1982, so that projects are not delayed due to a lapse in Federal aid availability.

Two: A serious need exists for increased levels of interstate funding if the system is to be completed within the existing September 30, 1986, statutory deadline for placing all segments under contract.

Three: Funding for the interstate 4–R program must be substantially increased beyond the present $800 million national level if the vital interstate system is to be adequately maintained.

Four: Additional funding is needed to complete approved interstate substitution projects in the Twin Cities metropolitan area and the Duluth urbanized areas.

Five: The highway trust fund should be removed from the unified Federal budget to reduce the likelihood of continued impounding of revenues—via obligation ceilings, et cetera—in an attempt to reduce Federal budget deficits. This action would also result in a more predictable revenue flow, allowing improved planning and decisionmaking and increased administrative efficiency.

Six: Obligational ceilings should be established at a level that would draw down the $9.2 billion balance in the highway trust fund at the end of 1981, to a level necessary only to maintain an adequate cash flow.

Seven: Federal user fees which support any transportation programs returned to the States should be placed in a separate transportation federalism trust fund to avoid destructive competition at the State level between transportation and social program needs.

Eight: MGRI supports the 5-cent increase in the Federal fuel tax as proposed by Secretary Lewis. Increased funding is needed, both for programs which may be returned to the States and for programs retained as primary Federal responsibilities.

It may be of interest to you that Minnesota Good Roads is in Washington and has been here for the last 2 days meeting with our congressional delegation, the Senators, telling them about our needs of the State. This has been an annual event. We do it every year. We have been doing it now for the last 11 years.

We sincerely thank you, Senator, for this opportunity to present our case before you.

Senator SYMMS. Thank you very much for a very good statement, all three of you. In fact, Mr. Johnson, I especially commend you and the Minnesota Good Roads for coming to town and calling on people to help enlighten all of us as to what the transportation needs of the country are.

What kinds of Federal safety standards should continue under the proposed consolidation of the highway safety improvement program? I would ask that of you, Mr. McFarlin, if you have any opinion on that.

Mr. MCFARLIN. Senator Symms, the safety standards can probably be cut back somewhat. They have increased greatly from the start of the interstate system until now. Shoulder widths, clearances to bridge piers, bridge deck widths, and so on, have all increased beyond what is necessary.

Senator SYMMS. Do you think any of the recommended standards in the Uniform Manual on Traffic Control Devices should be required?

Mr. MCFARLIN. Uniform traffic control devices?

Senator SYMMS. Yes.

Mr. MCFARLIN. By Federal statute, no, sir, I don't think so.

Senator SYMMS. Do either of the other two of you want to comment on this? You are welcome to.

Mr. JOHNSON. No.

Senator SYMMS. I might ask you, Mr. Burwell, do you share that concern of the problem that was referred to about the bridge where it did touch a park but there was no concern? Do you think there are any places we could alleviate some of the unnecessary delays and redtape?

Mr. BURWELL. Yes, I do, Senator. I think it is absolutely unacceptable that that kind of delay occurred.

Senator SYMMS. It probably hurts your cause more than it helps it in a lot of ways, doesn't it?

Mr. BURWELL. It does hurt it. You are always judged by the exception.

Senator SYMMS. Sure.

Mr. BURWELL. This is an example, I think, of what Mr. Shuster was trying to get around in his project with the Everett bypass. The result of that study indicated that there is nothing wrong with the environmental analysis. The environmental analysis of this project was obviously very preemptory. There was no impact.

The problem is that when you have what you call 4F land, the approval process goes from the consulting company who wrote the EIS, to the State highway department, to the Federal division engineer, to the regional engineer, to the FHWA headquarters, to their general counsel, and then to the secretary's office. That multilevel review is unnecessary. Getting them all together and having one review for projects of this sort as suggested by the Shuster report I think is appropriate.

Senator SYMMS. Thank you.

Mr. JOHNSON. Mr. Chairman, on the safety program, that should be retained. I have with me some of the members, and one of the members of my organization, Mr. Herbert Klossner, who is Hennepin County engineer in the city of Minneapolis, one of the things he just sent to me in a little note is that he would like to see maintained the safety improvement at high-hazard intersections, with improved signalization and channelization. That has been a program that has worked very well.

Senator SYMMS. Thank you. Thank you all very much. We may have a few other questions that we may correspond with you on. I appreciate all of you coming and testifying this morning. It has been very helpful to the committee.

The committee will now stand in recess until 2 p.m. this afternoon when the next witness will be the Honorable John Y. Brown, Governor of the State of Kentucky. Thank you all very much.

[Whereupon, at 11:56 a.m., the subcommittee was recessed, to reconvene at 2 p.m. this same day.]

AFTER RECESS

Senator SYMMS. The Subcommittee on Transportation hearing will continue.

I might just say for those who are here this afternoon and weren't here this morning that we heard from Senators Goldwater and DeConcini and then we had three very excellent panels including a wide variety of groups. We felt like we had a very successful hearing. I, along with some of the other Senators, Senators Bentsen and Randolph, made some opening statements.

What I would like to call to everyone's attention to the Washington Post of Sunday April 18, in which they had a great article by George Will, "What Potholes Say About Us." Columnist Will points out, and I think very eloquently, how a society's vitality is measured by the maintenance that it does to its original construction. I think also he talks about the fact that it shows the willingness for and the measure of maturity for people to take care of what they have.

I think we have the best transportation system in the world, but it is rapidly declining. All you have to do is take a trip.

We are delighted this afternoon to have Governor Brown with us. Knowing your busy schedule, Governor, I guess you probably flew up. But if you had driven, you would have found out there are a lot of problems, a lot of potholes between here and Kentucky, as is true in most parts of the country. Our roads are in dire need of bigger amounts of money than the Federal Government has right now to allocate. I am very interested in seeing if we can't do something in the very near future to try to get more funds in the Federal trust fund so we can do a better job of maintaining this Nation's roads and bridges. But we are delighted to have Gov. John Y. Brown, Governor of Kentucky, representing the National Governors Association. He is accompanied by Frank Metts, secretary of the Kentucky Department of Transportation, and Charilyn W. Cowan, staff director, Committee on Transportation, Commerce and Technology, NGA. So we are delighted to have you here, Governor. We would be glad to hear from you.

STATEMENT OF HON. JOHN Y. BROWN, GOVERNOR, STATE OF KENTUCKY, REPRESENTING THE NATIONAL GOVERNORS ASSOCIATION, ACCOMPANIED BY FRANK R. METTS, SECRETARY, KENTUCKY DEPARTMENT OF TRANSPORTATION; AND CHARILYN W. COWAN, STAFF DIRECTOR, COMMITTEE ON TRANSPORTATION, COMMERCE AND TECHNOLOGY, NGA

Governor **Brown**. Thank you, Mr. Chairman.

I guess down in Kentucky we are 3 days behind you all. We just got the George Will article this morning. But he makes some very good points that perhaps could be discussed today.

I was only called yesterday to appear, so I brought my expert on transportation, because I feel we have taken a rather unique approach to addressing the kind of transportation problems faced all over this country.

When I look at the Federal Department of Transportation, I see a giant bureaucracy that has created a lot of inequity, a lot of confusion, some 44 different highway programs alone. I am advised that to actually carryout a Federal highway project it takes some 7,000 different steps.

Speaking on behalf of the Governors, we would like to see you simplify the program, send those programs and resources back to the States that we are best able to manage and cut through as much of the redtape and administration as possible that you have here in Washington.

One of the first steps we took with our road program in Kentucky was to simplify the program and cut cost. Like other road funds, ours had its shortfalls. During the last 2 years we had a shortfall of some 30 percent. With that kind of shortfall in the road fund plus the Federal cutback in dollars, we had to be creative and innovative to make our dollars stretch.

At the conclusion of that 2-year period we built as many roads as we had ever built in a comparable period and even met our budget projections, despite the shortfall. What we did is send the money as well as the responsibility back to counties and cities, in programs we call county aid and municipal aid. They already had the equipment to handle some of their local road projects. They knew their priorities. Even though we are a national leader in holding down the cost of building roads by Federal standards in Kentucky, we found they could build roads 30-percent cheaper than we could. So that simplified our process to that extent.

We are now in phase 2 of sending back responsibility for rural secondary roads to the local counties. Here again they have the equipment and they now have the experience of building roads.

Certainly they know their priorities and can consolidate and coordinate their activities much more effectively in their areas of the State.

We are satisfied this is stretching our dollars. We tried to cut through the administrative costs and found there are more ways in transportation by far than any other area of State government.

To give you an example, our transportation department has been cut back some 27 percent in just administration alone. We eliminated personal service contracts, which was $25 million a year. We don't have that expense anymore. We used to have a planning department of 212 people. That was abolished. We didn't need a full planning department, except the Federal Government required us to keep some planners on. We had enough plans in locked boxes to build roads for the next 20 years.

I think if you looked at the bureaucracy in your Federal DOT, you would find a similar complexity of structure that we would like to see simplified.

The Nation's Governors recommend that you send all of the primarily local programs back to the States with 2 cents of the 4-cent tax. The Federal Government would keep the Federal-aid primary program, the interstate program, and the safety program, as well as the bridge program for Federal-aid primary. We feel that we can certainly stretch the dollar further; some 25 to 30 percent more productive utilization of the dollar. This is the only way you are going to maximize the building of roads during this shortfall of revenues.

Our theme in our State is we want to spend our administrative savings on potholes and laying blacktop and building roads. So we have cut through as much unessential administration as possible. We anticipate within another year that department will be down in size some 35 percent. What it saved us is over $100 million a year just in administrative costs that we can apply to road building.

When you look at the Federal program, I would question how much needs to be spent on additional planning. I understand that about 94 to 95 percent of the Interstate System is built and yet the remainder is almost going to cost as much as the total undertaking thus far.

If you spend your money on rehabilitation and reconstruction and maintaining what you now have and send as much other program responsibility back to the States, but with money, then would have a better highway system. I think the States are hesitant to say whether they support any kind of revenue measure because they don't know how much money will be coming back to the States. You might see a different posture if we weren't concerned it would be misdirected into alleviating some of the other concerns of the budget here in Washington. If it was sent back to us, we are satisfied we could spend it more cost-effectively. That has certainly been proven in our State. Kentucky rank No. 1 or 2 in the country under certain construction cost-efficiency estimates. But we feel that the local government can spend 30 percent more efficiently than we can.

With that, I would like to call on Secretary Metts and let him outline some of the concerns and problems he has faced in dealing with the Federal Government.

Senator SYMMS. Before you call on Secretary Metts, what is your gasoline users fee in Kentucky?

Governor BROWN. It is 9 percent, and that 9 percent went to 10.4 cents per gallon and then fell back. Just recently the general assembly passed a 10-cent floor. So we have a 9-percent tax with a 10-cent floor.

Senator SYMMS. With a 10 cents a gallon floor?

Governor BROWN. Yes. We studied every way to raise revenues, as I am sure all other States have. We determined that the fairest method of charging users was the weight-distance tax. We impose a 60,000 to 80,000 pound vehicle with paying 2.85 cents a mile. We found that the heavy trucks tear up 85 percent of our roads. It is a very fair and equitable approach to bringing in revenues, estimated to generate some $72 million of revenues during the next 2 years.

Senator SYMMS. Do you know on behalf of all the States what the average is?

Governor BROWN. I would say that ours is pretty close to the average. It has been changing so much in recent years.

Mr. METTS. It is pretty close.

Ms. COWAN. The national average has been 9 cents but I think that with the large number of States that have successfully raised their rates it is probably up to about 10 cents on the average.

Senator SYMMS. Governor, are you telling us you would prefer and most Governors and States would prefer to raise this tax at the State level as opposed to the Federal level?

Governor BROWN. If they are seeing their psychiatrists regularly, they might. They don't want to raise any taxes. Certainly the Federal Government is getting the benefit of the tax cuts while the States are having to raise revenues to assume the programs being transferred. I would like to see the Federal Government on this issue bite the bullet and coordinate nationwide. It would be very difficult to have any continuity for building roads if you expect all 50 States to raise the road tax simultaneously. It was life or death in Kentucky 2 years ago to convert a cents tax to a percentage tax. To me that was just a mere inflation tax. But it is a hard tax to get passed.

Certainly if you want to maintain a first-class highway system across this Nation—and after all, there are hundreds of billions of dollars invested, and it would be senseless not to have the proper funding to maintain them appropriately—then you would promote uniformity and support nationwide with a national revenue measure that could allocate turned back revenues fairly among the States.

Senator SYMMS. Thank you very much. Mr. Secretary?

Mr. METTS. Thank you, Mr. Chairman.

As the Governor was saying, we all relate very well to shortages of money in States, as you all do here. The quickest way to see money and see it show up and see it meaningful is to make it more efficient. The obvious way, in my judgment, is to allow more latitude, and the most latitude that there could be, obviously, is a shifting of some of the programs. In Kentucky consider that the

Federal-Aid secondary and urban and off-system bridge systems could be better administered at the State level. That is in accord with the NGA. We feel that way. In fact, personally I think we could go a notch further. But you are going to hit a line somewhere.

I would be the first to agree certain programs are a Federal responsibility, and maybe it is too much to think of turning over everything at one time. I don't think we would be afraid of it at home, but I can see where in the big picture, 50 States, might be.

But what I like about splitting a portion of the now 44-odd different pots in the Federal highway program and at least us taking three or four of those, the Feds keeping three or four, and condensing the balance into those numbers, is that it sets up a healthy and good competition between, if you will, the States and the Feds. You have cross checks and balances.

Right now all 50 States in the country are looking at one barometer. That is the FHWA barometer. Our State alone has three different types of geography—the mountains, the flatlands, and then the middle ground. The standards must be different for each section of our State alone. God knows how much different they should be as the many areas of the country differ in geography and weather and so forth. You just can't set—I don't care how thick the book is—a set of standards that will really represent the needs of each of the States or sections of States and have any efficiency. You can do it, but you can't have any efficiency. You could pick up 20, 25, 35 percent and make a dollar stretch that much further right in front of your eyes by cutting out the administration, overhead, red tape, some of the 7,000 steps the Governor alluded to. Nothing is produced by inefficiency. We cut out this $100 million a year in administrative overhead and in payroll. You have to remember our department does do construction. FHWA doesn't. They only oversee, administer, check, and approve. We can cut that much out of a $700 million overall budget. Out of the millions in administrative costs such as they have, it would be mind blowing the amount of resurfacing that could be purchased to with that. At this point in time the FHWA does nothing more than shuffling approvals, or rejections and later approvals back and forth.

When you get into these systems that are so far removed from an interstate or Federal-aid primary system, which was a Cadillac system prior to interstate days—in our State we have nine turnpikes which more resemble the interstate standards—the Federal paper shuffling makes even less sense, on these other systems, the Governor addressed that, we turned those very local functions back to the localities. They don't build the roads. They maintain them or have them built, just as we do. But we do the inspection. We are capable. We have the people that are capable of inspecting them on site, not inspecting paper, 500 miles away at the regional office or 800 miles away at the national office. You can't inspect much that way, particularly when it is moving parts, such as roads.

We are talking about, as far as I know, the only function in State government that involves production. Everything else is a service or distribution of a check or approval. We actually produce things in the highway business, reconstruct or construct a product. It happens to be a road. Anybody that knows anything about construction—I have been in it most of my life—knows you have to be directly involved. That is why the big boys, the Westinghouses, the Gulf Oils, and those people in the world, in the early seventies didn't make a go of getting into that industry. You are taking moving parts, whether it is the vehicles, the bulldozers, the rock, the gravel, the blacktop, and you must have hands-on. You at the Federal level just can't do it, you can't have enough checks and balances. The 7,000 check points aren't enough to make up for not being there. There are too darn many on one hand and way to few on the other, if you know what I am trying to say. It is not efficient. Some 30 percent at the least is lost in the shuffle, and yet it still doesn't work. That is the sad part.

I have no question in my mind that the States have the ability. In our case some $200 million is coming through the Federal Government. Our budget is roughly $700 million. So we are already administering 3½ times the amount of money. So we are perfectly capable of doing it. The FHWA doesn't implement; we do. So it is not something that has to be started. It is already there. It is at a ratio of 3½ to 1. Everything that must be done is already being done. Why not allow this efficiency to take place and let the public be able to see their road dollars instead of having plans that get old and gray with age. Today there is much too much planning and reviewing and not enough road building.

Senator SYMMS. I think you make a very good point. I would ask you, Governor, is the reason the National Governors Conference adopted a statement which calls for a separate treatment of transportation programs from the federalism policy in your Governors policy statement is because of the situation where we already have federalism working in the highway system, so to speak?

Governor BROWN. I think our major disagreement on federalism is (a) will we get the money to support the essential programs, and (b), and my biggest concern that I share with a number of other Governors is should the States have to assume the welfare programs whose costs we have no control over because we don't control the national economy. But if there was ever a program that ought to be transferred, it is one that finances road building. The red tape has just made it impossible to be competitive and to be mobile and to be effective.

Senator SYMMS. Could you help the committee on the option paper which divides the highway program into those that would continue Federal responsibility and those that would be a State and local responsibility? How did the Governors come to the division of responsibilities that you arrived at?

Governor BROWN. I'm not certain. I only read the paper this morning. [Laughter.] I was asked to come here and represent the Governors who were involved in preparing it. But they have broken it down into the interstate and the Federal primary, the bridges associated with those roads, and the safety program. Frank and I discussed the sorting out plan before this hearing and agreed that was the right approach.

Senator SYMMS. What we really have had operating in the last 30 years in this highway program, since the fifties anyway, is a federalism program. If we just could expand on it, that is generally I think in the right direction, if I understand correctly what you are saying.

Governor BROWN. Well, I think perhaps the Federal level has assumed too much control and too much responsibility, even though it is mainly in planning and oversight. They are not in the business of building roads. It is awful easy for the bureaucracy to build on top of each other, or be so complicated the dollars might be better spent if they were given to the State.

We have about 39 people who work for the Federal Highway Administration in Kentucky and no disrespect, but I don't know what they do. I mean, they can approve our plans. We can mail them to Washington, and they can fly down there to see if the roads are built.

Senator SYMMS. You make a good point. I don't know whether the administrator, Mr. Barnhart, is in the room, but we might ask him that.

Governor BROWN. I think he might agree with you. I think he wants to send most of these programs back to the States, so we are consistent with the U.S. Department of Transportation, in order that they can consolidate and streamline their operation and concentrate on major priorities, and that is the interstate system and the Federal-aid primary system. That is what we are trying to do in my State. We are trying to get the small roads off of our back so we can concentrate on the major arteries.

Senator SYMMS. We were discussing the impact of increasing user fees. There is a great concern here about trying to get both the President and Tip O'Neill plus the leadership in the Senate all together in the same direction on the Federal budget. One of the suggestions that has been floated is an import fee on imported oil. How do you think that would affect most States and most Governors' ability to go to their legislatures and increase the State user fee, if, say, we did pass a $5 a barrel oil import fee?

Governor BROWN. I tell you, it is hard. I think the public is sort of in a state of shock. It is hard to analyze. I understand that $5 a barrel is going to increase the gas tax 11 cents or 12 cents.

Senator SYMMS. The price.

Governor BROWN. The price. You are talking about a greater than 10-percent increase, or approximately that, alone. The States are wrestling with other revenue problems. We also have a general fund problem in every State in this country. Over 30 States have increased taxes last year, outside the transportation fund. It is a question of how much can you really ask the people for.

We have found the fairest way to raise money and it represents more of a user tax than a gasoline tax or so much a barrel was the weight-distance tax, because one 80,000 pound vehicle represents 250 automobiles, as far as the wear and tear on the road. That is the area we targeted.

Senator SYMMS. In my State they seem to think they had some problem on enforcement of that.

Governor BROWN. That is always the argument from the trucking industry. They are very effective in confusing the issue. But we see no problem in the collection. There are seven States that have it now. That was one of the concerns that the members of the legislature had. But I think we finally satisfied them we will collect the money. It doesn't take much to see an 80,000 pound vehicle or 60,000 pound vehicle. They are pretty limited and you can identify them pretty easily. Plus they are already signed up with permits to do business in Kentucky. So we don't feel it would be that much of a problem in collection.

Senator **Symms**. Governor, I did have one other question I would like to ask you. In an option paper recently released by the National Governors' Association, the issue of flexibility to transfer or borrow between interstate construction and interstate 4-R apportionment was raised. The question is, Is there any danger that the States would have less of an incentive to complete the interstate systems on a timely basis if this kind of transfer were permitted? Maybe Frank could answer that.

Mr. **Metts**. You are talking about—there have been several proposals on that. Give me the highlights of that one more time. There have been three or four. I am not quite clear which one this is.

Senator **Symms**. I think our efforts here with the bill we have introduced and what the DOT is trying to do is to give more flexibility to the States. The question I am asking is if the flexibility is so great that the State can just have a free rein, are we apt to end up with some sections of interstates that won't be completed? I have one in my own State, for example, in Wallace, Idaho, where Interstate 90 goes through. They have to track down through this small mining town with an interstate highway system. They go through two or three stoplights right through the middle of town. There is not much room. This has been very difficult. The people of the town don't want the interstate built for historical reasons. There is not much room in the canyon. I could see if it was given total flexibility, the political pressure got hard enough, it would be hard to get that section of the interstate completed, as an example. Is there any danger if we give too much flexibility that you would perceive?

Governor **Brown**. What the Governors are recommending is the Federal Government stay responsible for the entire interstate and Federal-aid primary system, so you keep the dollars and send half the dollars back.

Senator **Symms**. If you can transfer the money between the interstate completion and the 4-R program, though, that is what my question is.

Mr. **Metts**. That is what I thought you were getting at, the 4-R, program. You then have two checks and balances. Both the Federal has to approve it and then the States at that juncture if it remains with the Federal.

But it may also, I would say it would be a 4-5 to 1 imbalance if you don't do it. Personally, I think they should give them the discretion to use the pot as a 4-R pot. It is going to start to wean into what is coming on top of everybody, and that is the reconstruction and maintenance and resurfacing of our existing interstates, some of them 25 or more years old.

I think it would be very healthy, personally, to allow that discretion and let it get aired if it has to. I think it would be very healthy.

Senator **Symms**. Thank you very much.

Senator Randolph is here. Senator?

Senator **Randolph**. Mr. Chairman, I am very grateful——

Senator SYMMS. If you would excuse me just for one moment. We are delighted now that we see the Governor's wife has arrived. We are honored to have her with us, too. We all know her from NFL fame. We are happy to have you here.

Senator RANDOLPH. We might have her testify.

Senator SYMMS. Maybe we can get that increased fuel users fee if we get her on our side on that, Senator Randolph.

Senator RANDOLPH. I am not familiar with what the able advocates at the table have said. I will look at the testimony and then I will make comments for the record. Is that agreeable?

Senator SYMMS. That is certainly agreeable, without objection.

Senator RANDOLPH. I was here earlier today, as the good chairman knows, and discussed some matters of concern. I assure you that to the members of this committee, this is a matter of concern and we will not delay in trying to come back to profit from your testimony. No one knows exactly what we can or cannot do, but we do know this, that it is tough to get the revenues with which to rebuild the roads. Isn't that right?

Governor BROWN. Yes, sir.

Senator RANDOLPH. That we do know. That is a pragmatic statement. But where is the money to come from? That is a real problem.

Governor BROWN. We feel that both the Federal Government and the State government are going to have to change their whole approach of raising revenues for transportation. The whole mode of transportation is getting away from fuel and going to propane and going to electric and going to half a dozen different means of transportation where the gas revenues are going to continue to decline, continue to fall, conservation is going to continue to increase. For that reason we went to the weight-distance tax, which we thought was the fairest and most equitable, on the heavy trucks and really had very little public negativism about it because it sounds fair and is fair. I think that is an area where we are moving toward a more effective users tax on those who use our highways the most and do the most damage. I think you will find a similar trend in the future among most States.

Senator SYMMS. Thank you very much, Governor.

Senator RANDOLPH. Thank you, Mr. Metts, too.

Mr. METTS. Thank you, Senator.

Senator SYMMS. We thank all of you. Nice to have you here.

Senator SYMMS. The next witness will be the Honorable Ray A. Barnhart, Administrator of the Federal Highway Administration, accompanied by Lester P. Lamm, Executive Director of the Federal Highway Administration.

Mr. Barnhart, we are delighted to have you here today. I have been making reference to everybody, and I don't think you were in the room when I referred to it, but I will refer to the Washington Post again today, which is three times in a row for me, which is an all-time record, to make a positive reference on the George Will column of last Sunday. I would call that to your attention.

I think you and I have had the opportunity to work together last year and in years past on other endeavors. I have enjoyed it very much. We are delighted to have you over here.

I might just say that I was privileged to be on a platform with you in Houston, Tex., earlier this year where you made the statement to the audience, and I am quoting Ray Barnhart now, just show me a place where somebody goes in and puts a plant where they have a poor road system and I will show you a plant that is going to fail.

I appreciate your attitude and we look forward to hearing from you. We have several questions we wish to ask.

Why don't you go ahead, please.

STATEMENT OF RAY A. BARNHART, ADMINISTRATOR, FEDERAL HIGHWAY ADMINISTRATION, ACCOMPANIED BY LESTER P. LAMM, EXECUTIVE DIRECTOR, FEDERAL HIGHWAY ADMINISTRATION

Mr. **Barnhart**. All right, Mr. Chairman. Thank you for the welcome. I know it is a perfunctory thing to express appreciation to those before whom you are testifying. However, Secretary Lewis is unable to be here and he asked that I convey his regards to you and this committee not in a perfunctory way but, rather, in a most genuine and appreciative way for the fine work and relationship we have developed over the past year.

In the interest of time, and I know you have some votes coming up, I have a statement that I will submit for the record and then Les and I would be happy to respond to whatever questions you might have.

Senator **Symms**. Without objection, we shall do that.

Your entire statement will be part of the record. We will see that all members of the committee get it and have the opportunity to carefully go through it.

The Department of Transportation issued a needs study in January 1981. Have you revised the estimate of funds required to rebuild and rehabilitate our interstate, primary, urban, secondary roads systems since the January 1981 study?

Mr. **Barnhart**. Yes, sir.

Senator **Symms**. Can you give us those figures?

Mr. **Lamm**. We can provide that for the record, Mr. Chairman. What we have done is to update those figures based on general national inflation. The report you refer to is a biennial report, and we don't have a brandnew report due in 1982.

Senator **Symms**. OK, that would be fine, if you could send those over to us.

[The information referred to follows:]

Question **Have you revised the estimate of funds required to rebuild and rehabilitate our Interstate, primary, urban, secondary, roads and bridges since the 1981 study and can you supply those figures?"**

HIGHWAY NEEDS UPDATE 1980-1982

The following estimates represent the total capital investment necessary by all units of government for the period 1982-1995 in order to maintain conditions on the Federal-aid highway systems. The needs estimates and Federal shares as reported on Table 5-1, page 184, in the January 1981, version of the Status of the Nation's Highways: Conditions and Performance, have been updated to account for subsequent expenditures on Federal-aid highways and inflation since 1980. All estimates are in 1982 dollars, assuming 7 percent inflation annually. Since these estimates include capital needs only on the existing system, cost-to-complete the Interstate or any new construction is not included.

The current cost to complete the Interstate System as redefined in the 1981 Federal-aid Highway Act, adjusted to reflect obligations and inflation since January 1, 1980, is $37.4 B (1982 dollars). Not included in the redefinition or the 1981 needs study estimates is approximately $16.5 B that is now eligible for Interstate 4R funding and includes safety improvements on open to traffic Interstate segments.

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Federal-Aid System 13-Year Capital Investment Levels Which Will Maintain Current Conditions (In billions of 1982 Dollars)

	Total Cost			Total Federal Cost		Average Annual Federal Cost	
Federal-Aid System	High Travel	Low Travel	Current Federal Share*	High Travel	Low Travel	High Travel	Low Travel
Primary	63.88	50.64	.43	27.5	21.8	2.2	1.6
Secondary	60.22	56.72	.27	16.3	15.3	1.22	1.18
Urban*	40.98	40.31	.42	17.2	16.9	1.34	1.34
Interstate**	27.82	24.73	.90	25.07	22.21	1.95	1.72
TOTAL	192.9	172.4		86.07	76.21	6.71	5.84

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*The current share has been used to estimate future Federal costs. It cannot be assumed that this share will hold constant however, because trends indicate substantial variation in this Federal/non-Federal ratio.

**These levels will not maintain 1978 conditions. They represent upper dollar level that existing FAUS mileage could absorb.

***Includes $4.5 billion for bridge deck repair. Does not include cost to complete. This range would supply sufficient funds to eliminate most deficiencies that currently exist or are anticipated to accrue in the future.

1982-1995 Capital Investments to Maintain* Highway Conditions as in 1978 by Functional Class
(In billions of 1982 dollars)

		URBAN						RURAL					
		Functional System						Functional System					
Minimum Condition Standards	VMT Growth Per Year	Inter-state	Other Freeways and Express-ways	Other Principal Arterials	Minor Arterials	Collec-tors	Total	Inter-state	Other Principal Arterials	Minor Arte-rials	Major Collec-tors	Minor Collec-tors	Total
Current	1.2%	9.86	6.25	19.75	23.62	26.72	86.20	8.70	18.55	20.55	64.51	38.31	150.62
Current	2.8%	10.39	6.70	20.74	24.23	27.03	89.09	12.46	23.90	30.03	68.92	39.55	174.86
Relaxed Rural	1.2%	9.86	6.25	19.75	23.62	26.72	86.20	6.76	15.89	13.84	42.72	31.12	110.33
Relaxed Rural	2.8%	10.39	6.70	20.74	24.23	27.03	89.09	7.82	17.81	20.86	46.36	32.48	125.33

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*Will not maintain urban 1978 conditions due to physical limitations on existing urban highwys.

Total Urban and Rural

Mimimum Condition Standards	VMT Growth Per Year	Urban	Rural	Total	Billion $/Year
Current	1.2%	86.2	150.6	236.8	18.2
Current	2.8%	89.1	174.9	264.0	20.3
Relaxed Rural	1.2%	86.2	110.3	196.5	15.1
Relaxed Rural	2.8%	89.1	125.3	214.4	16.5

Senator **Symms**. What kind of Federal safety standards should continue to apply under the proposed consolidated highway safety improvement program? Should any of the recommended standards in the Manual on Uniform Traffic Control Devices be statutorily required?

Mr. **Lamm**. That is a question we are considering in rulemaking right now, Mr. Chairman, both in terms of the 3-R design standards in general and the 4-R design standards mandated by the committee for the interstate 4-R program. Since it is in rulemaking now, we would be glad to give you a status report for the record, but we don't have a final answer at this time.

[The information requested follows:]

Question : What kinds of Federal safety standards should continue to apply under the proposed consolidated highway safety improvement program, and should any of the recommended standards in the MUTCD be statutorily required?

Answer: We believe a consolidated highway safety improvement program should continue the provisions that each State have processes for collecting, maintaining, and analyzing accident, traffic and highway data; for conducting engineering studies of hazardous locations, sections, and elements; for assigning priorities to the various types of hazards identified; for implementing safety improvement projects in accordance with the priorities developed; and for the evaluation of the safety benefits obtained. Activities carried out under the FHWA highway-related safety standards of 23 U.S.C. 402 which have formed the bases for State and local highway safety programs for a number of years, could continue to be used as the bases for the planning component of the consolidated highway safety improvement program.

Currently, the MUTCD is the standard which has been issued in accordance with 23 U.S.C. 109(d) for traffic control devices on all Federal-aid highway projects. It also serves as the standard for traffic control devices on all public roads as currently required under 23 U.S.C. 402(a). We believe this application of the MUTCD assures uniformity in traffic control devices on all highways and that further statutory requirements are not necessary.

Senator **Symms**. We have had several witnesses this morning make reference to the fact of the high cost of the remaining 5 percent of the interstate that we have yet to complete. Do you believe that all of the remaining uncompleted segments are absolutely necessary for a connected National System of Interstate Highways?

Mr. **Barnhart**. The Congress has so indicated, and we support that.

Senator **Symms**. Do you think there are any places, though, on that system that could be demapped or changed where there could be some savings and more emphasis put toward maintaining what we have already completed and built?

Mr. **Lamm**. We do have an estimate, Mr. Chairman, that we would expect that roughly $4.5 billion of the $38 billion remaining interstate projects would be deleted from the system between now and September 30, 1983, which is the statutory timeframe for interstate withdrawals.

Senator **Symms**. $4.5 billion out of $38 billion?

Mr. **Lamm**. Yes, sir.

Mr. **Barnhart**. I just wanted to repeat that is an estimate.

Senator **Symms**. That is subject to change, you would say?

Mr. **Barnhart**. Yes, sir.

Senator **Symms**. Section 105 of S. 2315 directs the Secretary to develop a process for selecting bridges eligible for discretionary bridge funds. This section lists criteria to be considered. What I would like to ask you is, Do you believe it is necessary to go through with the rulemaking process in order to implement those criteria?

Mr. **Barnhart**. Yes, sir. While I agree with the intent, I think that there would be other problems involved in adhering to that approach. I think it could result in an imbalance throughout the country. I wonder if we couldn't comment on that to you in writing.

Senator **Symms**. All right. We would appreciate that.

[The information referred to follows:]

QUESTION: Section 105 of S. 2351 directs the Secretary to develop a process to select the bridges eligible for discretionary bridge funds and lists criteria to be considered. Do you believe it is necessary to go through with the rulemaking process in order to implement this criteria?

ANSWER:

As currently drafted, section 105 would require the Secretary to develop a formula resulting in a rating factor for the selection process by issuing both a proposed and final "regulation" within 6 months of the date of enactment of the Act. A formula could be determined by the Secretary through issuance of guidelines or nonregulatory materials with notice duly published in the Federal Register. This process could be accomplished within 6 months. For this reason, we believe that the statute should not require issuance of a regulation. Future rulemaking action would not be precluded by the absence of such a requirement.

Senator Symms. In a discussion paper on the interstate 4-R distribution formula prepared by the American Association of State Highway and Transportation Officials, several disadvantages were listed for vehicle miles traveled factor. The disadvantages listed were inconsistencies among States and the way data is obtained and reported, automobile VMT is a questionable indicator of deterioration, and data is subject to manipulation. Would the Department care to comment on that for us?

Mr. Barnhart. Mr. Chairman, we are looking at all of the formulas which are used in distributing Federal funds. We are reexamining all of them simply because many of them have been used for years.

Coming from a donor State, I want to look at the donor-donee situation, we are now examining all of the formulas we use. We haven't reached any conclusions at this point, but we have met with many of the folks from AASHTO and the States and have spent several days exploring other alternatives. While everybody has criticisms, we have yet to find any other formula they can agree on; Les?

Mr. Lamm. Mr. Chairman, I might just add that your bill suggests that the Department may want to look at a number of factors other than lane miles and vehicle miles traveled and report back to the committee within a 2-year period. From our point of view, we would be most willing to report to the committee on factors. We feel, with the advanced work we have already done with the States, Mr. Barnhart mentioned, we could get that report to you much more quickly than 2 years, probably within the course of a few months.

Senator Symms. Is the Department aware of or has it undertaken any studies with regard to the safety of motorcycles using high occupancy vehicle lanes?

We have a high percentage of motorcycle operators in my State and they don't have very many high occupancy lanes, but they are interested in that question.

Mr. Lamm. We have had that question come in, Mr. Chairman. As it stands now, it is simply an individual State DOT's call as to what type of vehicle they permit on a high occupancy vehicle lane. But from the standpoint of the designation of the facility itself, high occupancy generally means more than one passenger, even if that one person happens to be traveling in a very fuel-efficient manner. So in many cases the States have declared up until now that the HOV lanes should be reserved for something that carries a few people, up to and including a bus or a van. There is potentially a safety issue, but I frankly don't know that any States have permitted it to the point for us to have any safety experience to tell you about.

Mr. Barnhart. I think it merits looking into. I think many drivers would like to see cycles out of the tremendous mix in traffic jams. But whether or not we could recommend such a policy I don't know. We have to look at it.

[Additional information was subsquently supplied:]

MOTORCYCLES ON HOV LANES

QUESTION:

Is the Department aware of or undertaking any studies regarding the use of motorcycles on HOV (highway occupancy vehicle) lanes?

ANSWER:

We are aware of only one study that is being undertaken in California by CALTRANS on the use of motorcycles on HOV lanes. It is studying the possibility of allowing motorcycles to use the HOV ramp meter bypasses. This study is to be completed this fall.

The main purpose of HOV lanes is to improve the efficiency of the highway and reduce the need for additional construction to handle traffic. This is accomplished by encouraging persons to use high occupancy vehicles thereby, increasing the number of persons transported without increasing, or in some instances, decreasing the number of vehicles. A motorcycle, which generally carrys only one person, uses as much of the highway capacity as a car. If many motorcycles use the HOV lane they could overly congest the lane, reducing the incentive for persons to use high occupancy vehicles.

As to the energy conservation effect of motorcycles, there are many autos that with two or three passengers give more passenger miles per gallon than a motorcycle. Vans and buses are even better in the number of passenger miles per gallon obtained.

There is nothing in the Federal law and regulations which would prohibit the use of HOV lanes by motorcycles. It is the States' prerogative to determine the types of vehicles which use a facility. In all cases of existing HOV lane operations that we are aware of, motorcycles are not permitted. We would continue to support existing State regulations and laws which exclude motorcycles on HOV facilities for the reasons cited above.

Senator **Symms**. In other words, at this point, if I read you correctly, it is being decided by the individual States?

Mr. **Barnhart**. That is right.

Mr. **Lamm**. As to the specific question about safety figures, I don't believe we have any safety record on motorcycle use of HOV lanes simply because not many people are permitted to use them.

Senator **Symms**. Currently the allocation formula for the bridge replacement/rehabilitation program has a ¼-percent minimum and an 8-percent maximum. Do you believe either the minimum or the maximum should be changed?

Mr. **Barnhart**. No; I don't believe so. I think if we change that max, as has been suggested on several occasions, we find quite an imbalance of distribution around the country. I am not sure it would be desirable, from a political point of view or from a practical point of view.

Senator **Symms**. I think that because of the schedule on the floor this afternoon we are a little bit short of members in attendance. I can assure you there will be questions by other members of the committee that will be submitted in writing.

I might say that if the Secretary has problems occasionally being criticized for suggesting raising taxes, I would refer back again to George Will where he makes the point that if the gas tax was proportional to 4 cents on a 31-cent gallon, it would today be 16 cents. So that the Secretary's floated proposal is a very modest one. You might take that message back to him. George Will I think is known for his conservative style. That should be giving some credibility to the Secretary's position.

I think he certainly is on the right track. I think there may be some of us that are still questioning whether we want to take money that is spent for the purchase of gasoline and transfer it into capital construction costs for mass transit. But I do think that you are certainly on the right track. I am hopeful that we can start as soon as this budget compromise is worked out. It is my understanding of what is happening in this town that there will be some revenue enhancements, which is a newly invented word for tax increases, Ray.

Mr. **Barnhart**. Yes.

Senator **Symms**. When we were back in politics, before we were in office, that is what we called them. So I would like to encourage you and to say that I think more and more I find people are recognizing the need for this country to make a commitment to take care of our roads.

Mr. **Barnhart**. Regarding that 1 cent on transit, I think it should be emphasized that that is for capital investment, not operating subsidies.

No. 2, while we are all alarmed about the horrendous national debt, I think we should reemphasize that not one penny of that deficit has been incurred as a result of the Federal-aid highway program.

As I have traveled around the country, I find that regardless of which side of the aisle one might be on, a responsible conservative looks at the real world as it is and recognizes we have to face up to that reality and address the terrible deterioration of this most valuable capital asset. So the response has been overwhelmingly good.

Senator **Symms**. I have found that myself in my experience getting around the country, that most people are very, very aware of the road system and right now, in view of declining prices in fuel, that it may be a good time to make an effort to do something about it. I am interested in doing so. In fact, we had Senator Goldwater in here this morning, and his exact statement was if you fellows need a new increase in revenue to keep our road system going, raise it, and make no bones about it.

Mr. **Barnhart**. It seems like any responsible person knows what happens if you put off rehabilitation and maintenance. We are going to pay for it one way or another, either through new shock absorbers we have to buy or through tires that we blow out. The more effective and efficient way would be to increase that user fee and put the money directly back into the rehabilitation of the system. So we totally support you.

Senator **Symms**. I see Senator Abdnor is here. We are happy to have you here, Senator. Do you have any questions you want to ask?

Senator **Abdnor**. No. Mr. Barnhart said everything. We are going to have to fix up the highways some day if we are going to have highways at all.

Mr. **Barnhart**. Yes, sir.

Senator **Abdnor**. Maybe once we get inflation down and it costs less we can do it later, but I doubt that.

Senator **Symms**. I think it is evident. We have built a lot of highways. We have more roads to fix now. I think we can be very proud of that road system. I know that a lot of us are very proud, as I mentioned this morning, of the legacy that General Eisenhower left the country. I would certainly not be one who is in a position of leadership in terms of transportation to see the road system allowed to deteriorate and have that be a legacy that would be left to us.

So I really want to encourage you and encourage the Secretary to continue his efforts to bring about—and I think, frankly, his efforts are very modest in what we do need. There would be no problem to commit twice as much money and have it well spent on a Federal highway program, particularly in view of the slowdown in construction. I think the capacity to build roads is certainly in the country. We have the capacity to build and rehabilitate the roads, and without forcing any kind of a cost push or pull on prices, because I think the capacity is out there to go out and do the job, and that what we need to do is to try to find a way to enhance the revenue so we can do it. I am certainly supportive of that effort.

So we will have some questions to send over, and thank you very much for appearing here.

I guess we had a change on the floor, so we are in luck. We didn't get interfered with. Do you have any other comments you wanted to make? You did not give your statement, Ray, but you would be welcome to add if there is any point you would like to emphasize.

Mr. **Barnhart**. No. I want to say most sincerely, it has been a delight working with the Secretary. It has been very refreshing to me to have a man such as Secretary Lewis willing to stand up and speak on issues that he thinks are so important to this country.

Beyond that, I think the President of this country is to be commended for his openness and willingness to permit Secretaries and other administration officials to lay out facts as they are and have public discussion and debate. I think it is most commendable that he does this. There are few predecessors who would have permitted that prior to the time of an official administration position. I think it represents the strength of this country and what we are trying to do.

Senator **Symms**. I appreciate that very much. I think we are all now facing a problem when we look at our defense budget of a grave concern to people on both sides of the aisle as to how we remodernize our strategic and tactical force capability. If you examine what happened in the last 15 years, we neglected it and now we have a job of catching up. I think that we can't afford to allow that to happen to the highway system. The more people that know about it, and they are finding out by just driving on the roads, of course, but the more people that find out about it, the better off we are, I think.

Senator **Abdnor**. Mr. Chairman, could I just ask a question. I was reading an article in the paper, that Secretary Lewis is experimenting with some form of a proposal for his idea of revenue sharing. I believe it was with an increased tax which would be applied against I think water users. How does that tie in? Would that be over and above?

Mr. **Barnhart**. All of the Department of Transportation, sir, would be based upon user fees. We are trying to institute that. That has been a policy and advocacy of the President for a number of years. We totally subscribe to it.

Senator **Abdnor**. I understand that. But if he has another proposal, would that be over and above?

Mr. **Barnhart**. That would apply to other elements of transportation.

Senator **Abdnor**. It wouldn't have any effect on the gasoline pump?

Mr. **Barnhart**. No, sir, it would not, except for highway-dedicated taxes. It is my firm conviction that we should be trying to return the urban and secondary programs back to the States, but I do believe that we have to return about $2 billion in order to fund them. The only way we can return that money to fund those programs is through increasing the Federal, quote, gasoline tax or user fee. That is the real world.

Senator **Symms**. I appreciate your very candid appraisal of that. I quite agree with you. We have a problem of money. I would hope if we could get some enhancement and increases in those user fees this year, we could go back and increase these numbers in this bill, and I think then we would be well on the road to a better maintenance program in the future. I think the sooner we start, the easier it is going to be. It is not going to be easy even if we started yesterday, but it will never be a better opportunity. Thank you very much.

Mr. **Barnhart**. Thank you.

Senator **Symms**. The next witness will be the Honorable Joseph Accardo, Jr., chairman of the Transportation and Communications Committee of the National Conference of State Legislatures.

Mr. Accardo, welcome to the committee. We are delighted to have you here. You are accompanied by whom?

Mr. ACCARDO. Mr. Ralph Kraft of the National Conference of State Legislatures.

Senator SYMMS. Please proceed.

STATEMENT OF JOSEPH ACCARDO, JR., CHAIRMAN, TRANSPORTATION AND COMMUNICATIONS COMMITTEE, NATIONAL CONFERENCE OF STATE LEGISLATURES AND LOUISIANA STATE LEGISLATOR, ACCOMPANIED BY RALPH CRAFT, NCSL

Mr. ACCARDO. We want to thank you and your committee for the efforts you are making in this area. We have submitted a written statement, and I am going to try to briefly go through some points.

My statement will focus on four parts of your bill. First, the positive elements in the bill; second, those areas that we have problems with; third, federalism turnbacks; and fourth, highway finance.

I won't dwell on the positive elements. But briefly, we approve of the increased flexibility for State and local governments, the consolidation of highway and highway safety programs, the reduction of redtape in the highway program, the encouragement for ridesharing, and the extension of the Highway Trust Fund to 1989.

The features which we have some problems with, are first the 4R apportionment formula. The present formula provides for 55 percent lane miles and 45 percent vehicle miles traveled. Your bill proposes to reduce the VMT portion. NCSL policy supports an apportionment based upon usage and other factors which contribute to pavement deterioration, such as weather.

The second problem we see with S. 2315 is that it does not provide for the transfer of funds between the interstate construction allocation and the 4R program. NCSL would urge that you give the States the greatest amount of flexibility in that area.

In the reformulation of the urban and secondary highway categorical programs to the new urban and rural block grant programs, the reduction of the Federal match to 50 percent will produce an enormous negative impact on States. To my left is a chart. I won't try to go through all of it, but if you look at the 1983 section of it, you will see that in the urban program, the reduced match will cost the States approximately $433 million more. That is in red, near the bottom of the chart. This is an increase of 162 percent. In the rural program it would cost the States in 1983 approximately $367 million additional, an increase of 176 percent. Of course, that means that States have to find new funds to match the Federal programs. That amounts to approximately $800 million in additional funds for both programs, or 8 percent of the total motor fuel taxes collected by all of the States.

Also, S. 2315 has the possibility of spreading the inflexible Federal design standards to all urban and rural roads because they now would become eligible for Federal funds. As a result of the necessity for an increased match by the States and local governments and the increased applicability of Federal standards, there is a possibility that some poorer States or some poorer cities and local governments may not participate in some of the programs for lack of matching funds.

NCSL would like to suggest that perhaps a better way to handle the urban and secondary programs would be to develop a turnback program. The program would turn back to the States some parts of the highway programs, such as the urban and secondary programs, together with a turnback of revenues. Of course, this is in keeping with the concept of federalism.

NCSL does not have a firm federalism position. We hope to debate that position tomorrow and the next day, and what I suggested is what I believe will be approved by the National Conference of State Legislatures this week.

We feel that the turnback program, and the revenues to pay for the programs, is the way to go.

On highway finance, NCSL recognizes there is a need for additional funds. State legislatures have the same problems. In fact, 22 States in 1981 raised their own motor fuel taxes. In 1982, four more States did the same, and 10 more are still considering an increase.

What happens then is if the Federal Government increases its motor fuel taxes by 5 cents, it will take an important source of State highway revenue. We would like to suggest that a better way to do it is for the Federal Government to increase its excise taxes on nonmotor fuel items, such as rubber, trucks, vehicles that are over 26,000 pounds, buses, truck and bus parts and accessories, and then perhaps a moderate increase in the motor fuel tax to cover the Federal portion of the highway program. In this way we would be able to continue to allow States to raise funds from the motor fuel tax and at the same time allow the Federal Government to go with the federalism program, and raise taxes to cover its portion of the highway program.

Again I would like to thank you for the opportunity to testify and would be happy to answer any questions you may have.

Senator SYMMS. Thank you very much.

You stated in your testimony that the urban and secondary programs could be turned back to the States provided the revenues needed for the programs were also turned back. Do you have a number for us or an estimated level of revenues that would be necessary should those revenues be allocated back to the States?

Mr. ACCARDO. I understand it is a figure near $2 billion. That is significant.

Senator SYMMS. With $2 billion you would think that that would take some of the pressure off the States. I think that is an interesting analysis you gave us about how it would be better for the Federal Government to raise revenues. You would like to leave the gas pump for the States and let us raise it.

Mr. ACCARDO. That is correct. It has traditionally been a source of revenues States have used to build highways. The Federal Government has not raised its tax, as you know, since the fifties. All but two of the States have done so, and in some cases more than once. The area of excise taxes on parts and tires and heavy trucks is an area that the Federal Government has raised revenue. I think it is an area that the Federal Government needs to look at. I think the Department of Transportation's cost allocation study will show, if it has not already shown, that perhaps larger trucks do not pay their fair share toward the cost of highways.

Senator SYMMS. What you are telling me, if you are going to raise that, to double the excise tax on rubber and batteries and so forth, rather than to double the pump figure.

Mr. ACCARDO. That is correct. We are not saying that you should not raise——

Senator SYMMS. Probably doubling it might not be too bad, and then we could talk about it after that.

Mr. ACCARDO. I am not sure how much you should raise it, but that is an area you need to look at. The Federal Government would probably have to raise some motor fuel tax because it has to cover its portion.

Senator SYMMS. This morning we had a local official that expressed concern that some local transportation priorities aren't always given proper respect by the State. I don't know whether you were here when that happened or not.

Mr. ACCARDO. I wasn't here.

Senator SYMMS. Would you have any recommendations for how that situation could be improved and how those of us who want to return as many of these responsibilities back to the States can do this without seeing some local needs, for one reason or another, that end up being overlooked, or is that a concern?

Mr. ACCARDO. It is a concern of mine. You have to remember, Senator, we are elected by the same local people as you are. We have, of course, to be responsive to their needs. I know we are in our State. I am sure it is true in every State.

I am not sure what the local official was advocating. If he was advocating that a Federal law mandate a certain percentage of funds be spent on local highways or if he is asking that the funds be sent directly to local governments, then I think we would strongly oppose that concept. You would be bypassing the State governments and the State legislatures, and of course that is not in keeping with federalism at all.

Senator SYMMS. I guess we have discussed this. Do you have anything you would care to add to the impact of the imposition of an oil import fee at the Federal level?

Mr. ACCARDO. I think it would, of course, obviously raise the price of gasoline, and we would urge the Federal Government not to do that, because it would in effect add a tax to every gallon of gasoline. As I said earlier, it would also preempt an area of financing highways that States have traditionally used.

Senator SYMMS. It might not be too bad for some of your domestic Louisiana oil producers. There are some good arguments for that tax if we have to. There is no good tax, but it is just more less obnoxious than others.

Mr. ACCARDO. I have heard a lot of good arguments for tax increases but never during my reelection campaign.

Senator SYMMS. It was always on the other year.

Mr. ACCARDO. Yes.

Senator SYMMS. You can always tell the ones around here not running for office.

Mr. ACCARDO. Once I voted for tax increases, my opponent never mentioned a good reason for voting for them. It was always the bad reasons for voting for them.

Senator SYMMS. I appreciate very much your being here with us.

Senator Abdnor, did you have any questions?

Senator ABDNOR. No. The thought went through my mind, if S. 2315 would come out of the committee in the form it is in now, how would you stand on it? I recognize you prefer the suggested changes, but I mean, would this be so obnoxious to the conference that they would be forced to oppose it?

Mr. ACCARDO. If the bill itself came out in this form, would we oppose the bill?

Senator ABDNOR. Right.

Mr. ACCARDO. No, sir. We didn't mean to come here and say that.

Senator ABDNOR. You are still for it.

Mr. ACCARDO. We are suggesting some changes, of course. If in your wisdom you do not make the changes, we do not mean to indicate we would oppose the bill. The bill is a good one in concept and we applaud you for your efforts.

Senator ABDNOR. That is good. I was just curious.

Senator SYMMS. I guess our big problem is money, isn't it?

Mr. ACCARDO. It seems to be. I think you indicated that earlier.

Senator SYMMS. What you are talking about is it is just a pretty good chunk of money for the State to go out and raise if you have 162 percent on that. If we had more money——

Mr. ACCARDO. If you send us back some money in the Federalism tradeoff area, I think those dollars would not be as significant.

Senator SYMMS. Thank you very much.

Mr. ACCARDO. Thank you very much.

Senator SYMMS. John Clements, president of the American Association of State Highway and Transportation Officials.

We are happy to have you here, John. You are accompanied by Francis Francois, who is a regular attendee at these meetings. We are glad to have you on the witness stand. Go ahead, John.

STATEMENT OF JOHN A. CLEMENTS, PRESIDENT, AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS, AND COMMISSIONER, NEW HAMPSHIRE DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS, ACCOMPANIED BY FRANCIS B. FRANCOIS, EXECUTIVE DIRECTOR, AASHTO

Mr. CLEMENTS. Thank you, Mr. Chairman. I enjoyed your remarks in Houston, also.

In light of the fact that I think members of your committee and your staff are well aware of some of the litany of the needs of the State programs, I am going to make my testimony relatively brief. You have our statement that we would like to submit for the record.

Senator SYMMS. Without objection, your entire statement will be part of our record.

Mr. CLEMENTS. Thank you, Mr. Chairman.

Mr. Chairman, Frank Francois and I thought, knowing of your limited time on your hearing schedule and knowing there were a number of different interests of the States to be presented, we encouraged all States to send to the AASHTO headquarters comments that they would like to have included for the record. I think they are so covered in this testimony to indicate whether they are AASHTO policy or not. There are some we have included as a courtesy to the member States, in the interest of time, that are of their own submissions. There are some others that have the support of a number of States that are interested, for example on apportionments or substitutions, that represent a view of a number of States. Those are all outlined in our testimony.

I think we would like to just outline our testimony, Mr. Chairman, by applauding, again as speakers before us have, on behalf of the member States of AASHTO, the work your committee put into last year's legislation at a very critical time when the interstate needed to be redefined in terms of completion and scope and the very necessary part of the program that increased the 3R to a 4R program and more than doubled the funding for it. It was a most important conclusion. Even though we all had hoped for a multiyear bill at some point in time, and perhaps this is the year for it, it was absolutely essential to get that collection behind it. I know your committee was most active. It meant the difference between having ongoing programs in the States and having literally nothing.

However, with the advent of this year, there are many unmet needs. I think we all agree, and again I don't have to repeat, that the needs seem to be agreed to by just about everyone in the highway community. There is probably more unanimity of thought this year than any other time as to what the needs are. It all seems to be embodied in some of the AASHTO figures and ATAC II report that put it at about $12 to $14 billion. I think all of your speakers prior to this, and I note some afterwards, are going to refer to that need.

But it seems that figure of somewhere around $13 billion seems to be the needs, without question. Of course, the overriding issue is how is that funded.

We certainly are aware of Secretary Lewis' initiative and various members' views of the House and the Senate toward that. We applaud everyone and urge them to favorably consider Secretary Lewis' proposal.

As I think you perhaps heard me say in Houston, we think there are several reasons why the timing on this initiative is excellent. We think the potential impacts on deficits you are struggling with at the present time and the float, so-called, of having those moneys available in the trust fund between such times as they are collected and they are actually paid out in outlays, which gives something in the area of $4 billion a year, if I am not mistaken, Frank, or $8 billion over a biennium, would be very helpful in this deficit area while still allowing construction industries to proceed.

We think the timing of the glut on the oil market, the timing as far as contractors are concerned in terms of their time of need, the massive unemployment in the construction industry, as well as the spring break-up that is occurring throughout the country this year, which demonstrates ably to the public at large—as I think we have said on a number of occasions. We don't need a public relations campaign; it is right there for everyone to see—this is probably the best time we have ever had to get public acceptance for increased revenues.

As you know, 32 States in the last 2 years have increased their own revenues to try to match the apportionments that have been in various legislative proposals. But our major problem, of course, is an obligational limitation, which gives us perhaps in many cases less than 50 percent of what we anticipated getting.

However, we have taken a position that if those initiatives are not successful and the funding is limited, then we have produced a document called "The Highway Program for the Eighties" which your committee has on record. In it we outline a prioritization of programs which start with the completion of the interstate. You raised earlier, Mr. Chairman, the defense aspects of your deliberation in the Congress at the present time. We always like to remind people that the interstate system is indeed part of the interstate defense highway system of our country and it is not completed yet. In terms of drills we have had with the Army and Department of Defense just within the last 12 months, we found that the ability to mobilize a Rapid Deployment Force would be fully lacking if the interstate program is not complete. One of the principal ways of rapid deployment and mobilization is over the highway system, particularly with the deterioration of the railroad system. So we feel we should put a considerable amount of emphasis on that. One of the most cost-effective defense mechanisms we could have is the completion of the interstate system and its maintenance.

Next, if funds are not available to the degree we recommend, we would say that the interstate 4-R, Federal roads and bridges, the primary program, urban and secondary and then consolidated safety in that order. We would recommend we work with the highest priority first within the funds available.

You did submit six specific questions to us when you asked us to testify. We noted your concern about the interstate 4-R formula and are offering to work with you. We did not have a task force last year that worked on interstate apportionments. States, as you know, have been traditionally poor in determining who should get what piece of the pie. That is something that falls much more in the legislative realm.

On the other hand, we have produced a document which outlines some of the parameters that concern us that might be useful.

We do see some usefulness in your proposal for the DOT study, but we are delighted to hear that Les Lamm mentioned that he could do it in a period of 3 or 4 months, because one of the questions we had is that we didn't think it should take 2 years to do the study. We think enough is known already. We are glad to know FHWA feels that way also.

We would also like to call to your attention that there are a number of States out there, with the advent of discussion of additional revenues, that are not only concerned about the interstate 4-R apportionment formula but they are concerned about, if there should be additional revenues, the apportionment of the entire Federal-aid situation. Even my remarks, notwithstanding about the fact that the States haven't been good in sorting out their own difficulties, it was urged upon us to appoint a task force, which I have done, chaired by Jack Kinstlinger, of Colorado, and eight other States across the spectrum of donor-donee States, small and large, to try to get a handle on what the States would believe would be some of the criteria. I don't think we expect that task force to come up with a magic solution, but we think we might come up with a number of alternatives that might be useful to the committee. We would certainly share them with you as soon as it is completed.

As far as the urban and secondary program is concerned, we do think that, as previous speakers have said, in our policy meetings we have discussed in terms of sorting out the process and turnbacks, that obviously those would be the lower level programs that probably could be turned back. However, there are a number of States that feel that there is a genuine Federal involvement in the urban and secondary system. Particularly where they provide connectors to some of the primaries and other major routes, where there is a genuine participation required by the Feds. They are just clearly necessary for that Federal highway system. There is a need for greater funding in these programs.

We also favor greater flexibility in the use of funds between the urban and the secondary system, from one category to another. The only concern I guess we have heard from our fellow associations, like the Association of Mayors and others, is that they are afraid that if too much flexibility is given to the State administrators, perhaps they will favor, in some States, rural versus urban. But I would suggest to the committee that we serve the same kind of electorate. Being appointed officials, we serve elective officials. I think we respond to the one-man-one-vote scenario just like everybody else.

In New Hampshire, I might just say, when we get our urban funds through the Federal-aid highway program, the first thing we do is apportion it to all of our urban districts, 21 in New Hampshire, even though we are not highly urbanized on the basis of population, so they all get a fair apportionment of the urban programs, and we would continue to do that. We think it is unrealistic to think the States could preempt that and divert lots of funds to rural areas, if that was their bias, and away from urban areas and continue to get support for their local programs. So we think we would be able to sort out that transferability in good order.

We applaud your efforts to reduce and consolidate over 30 categorical programs into a smaller number. As you know, we are on record as winnowing that down to seven: interstate completion, interstate 4-R, bridge, primary, urban, secondary, and safety. We find a lot of merit in your proposal of allocating discretionary bridge funds according to specific criteria. But we would like to reserve final judgment on that, on the specific criteria proposed, until we have had a chance to circulate that through our active and able bridge subcommittee.

With respect to certification acceptance, we think it is worthwhile. We think it has worked out well in a number of States. The one reservation we have had, that some States express, however, is if this is a procedure by which the responsibilities of the same Federal inspections are then laid on the local level so that the local level then has to pick up all of the additional cost and specifications then it is just changing it from one level to another. That doesn't always work out well. The whole idea of certification acceptance is to recognize, I think, what Secretary Metts and Governor Brown were talking about earlier, that we have a liability in the States. We are the implementers of programs. Basically the FHWA in effect distributes the funds and makes sure they are wisely spent and audits the programs. But we feel once the money is given to the States, that we have the ability and the specifications and the inspections to do it. If we have certification acceptance, we don't want to have another layer added onto our program that just requires we use Federal inspection techniques exactly as stated. Otherwise no money is really saved. But certainly the efforts to install those certification acceptance procedures are applauded by most States.

On transferability of funds among programs, we strongly support that principle. We have been disappointed, I think in the past, that the transferability between interstate programs hasn't received more congressional support. We have developed a consensus on the transfers between the two interstate programs which would allow up to 50 percent to be transferred between programs, recognizing the wide variation between States, the roads that are completed already and being maintained and those that have relatively new systems and need to complete.

We think there should be even more flexibility to make transfers between noninterstate programs. However, we recognize if there is a Federal interest, that perhaps transfers over 25 percent for a starter might require the Secretary of the Department of Transportation's approval. We don't favor transfers between interstate and noninterstate programs.

One of the largest problems we have, Mr. Chairman, is the continuation of obligational ceilings. If there is anything that has disrupted the orderly process of building highways in this country it has been the imposition of obligational ceilings.

We are very concerned particularly about the imposition of first-quarter spending controls. It seems to me that is just one more problem that we didn't need. They tend to warp programs. I think that you perhaps might have some questions later on that. I would be glad to go into more depth on what obligational controls are doing in our States. But they are creating very serious dislocations of our program.

We also would like to call to your attention the interstate substitution problem, which is essentially again one of inadequate funding. We are willing to see substitute highway projects funded from the trust fund, provided the revenues are adequate. We believe that substitute transit projects should remain out of the general fund.

We call to your particular attention a paper prepared and I believe, Frank, that has been submitted——

Mr. FRANCOIS. Yes.

Mr. CLEMENTS [continuing]. By 6 of the 18 States that are faced with a large underfunding problem with interstate substitution. While this does not represent a AASHTO policy, it does represent the views of about 18 States that have substantial programs that should be reckoned with.

Finally, on behalf of the Colorado Department of Highways, as I said earlier, we asked if anyone had testimony, in order to minimize time, that we would include their statements with ours. You will find testimony from the Colorado Department of Highways on C-470, I believe, attached to our statement.

I guess we will just end our testimony by concurring with everyone else that a lot of our problems will go away if the funding problems can be addressed. We think the public is ready to support increases. Those of us who have been successful, in the 32 States in raising our revenues, feel there is a better understanding than ever of the American public as to what the system does and the fact it should be supported by user revenues.

Senator SYMMS. Thank you very much for a very excellent statement. I congratulate you for it.

You may have mentioned this, but just for my edification, our bill would eliminate the systems designations for urban and rural programs and extend eligibility under both programs to all public roads, except those on primary and interstate systems. What impact do you think this would have, and do you believe this would help the distribution of funds within the urban and rural areas?

Mr. CLEMENTS. I think we have had a mixed reaction in AASHTO. I think there are a number of States that really like the idea of having a mapped system of the secondary so they can keep addressing it in an orderly fashion. But they do need that transferability.

Frank, do you want to add anything to that?

Mr. FRANCOIS. I think you have summed it up. I don't believe there is much more we can say. The systems are useful in that they do tend to concentrate attention on those elements of the secondary and urban systems that are part of the national highway network. On the other hand, we need flexibility to move money around within both the urban and the rural programs to meet needs that are far in excess of the dollars available. So we are kind of in a quandry between a system designation on the one hand and the need for flexibility on the other. But given a choice, I think we would all fairly opt for the flexible use of funds.

Senator SYMMS. Thank you, Frank.

The total base cost for routes withdrawn from the interstate system or eligible for interstate transfer funds is $5.7 billion. The value of those routes adjusted for inflation now totals $10 billion. Over $4 billion has been obligated in this program. So there remains $5.7 billion in entitlements. Even at the current level of funding it will take many years to complete those projects.

How should Congress address this problem so that every eligible State receives at least a portion of its entitlement on a timely basis? Do you have any recommendations for us on this?

Mr. FRANCOIS. Mr. Chairman, I think we would point you toward the document, which we filed, prepared by the States of Arizona, Colorado, Connecticut, Illinois, Iowa, and Minnesota. That contains a number of recommendations.

Again, the bottom line problem is lack of money. These States believe, and I think with considerable justification, that several years ago Congress created a transfer process and in effect made promises that the money would be available at some point. Due to funding constraints, it has not been made available. You have identified what the problem is. It is about a $6 billion issue.

We within AASHTO do not have a fixed and ultimate position on this. This document which we have given to you has been prepared by a number of States but has not been considered by all States at this point. We do believe that funding needs to be made available through some orderly process.

Initially when we prepared a program for America's highways, a year and a half ago, we were all talking about the windfall profits tax. We believed at that time that the best usage for windfall profits tax money in the transportation field was to dispose of this particular interstate transfer substitute project issue. Of course, that did not happen, and the windfall profits tax has not been made available for that purpose, and we are still roughly where we were a year and a half ago.

We don't have a good answer. Quite obviously, if we can increase the overall funding available in the highway program, then it makes good sense to fund at least the highway portion of those projects out of the Highway Trust Fund and to get it done as quickly as we can and probably extend contract authority to it.

What you do with the transit projects is another issue. Your committee, unfortunately, doesn't have that one. But nevertheless, it is an issue that must be faced up to somewhere.

Mr. CLEMENTS. I might add just one quick thing. I think those States that genuinely faced up to the transfer problem early on and did it are owed some consideration. I think that somehow they should be held harmless.

On the other hand, there has been a growing concern, I think, among a number of States, as well as Congress, that some States may be sitting on these transfers, riding up inflation, so that at the time when they are transferred, it sort of is megabucks that come over into some other program. I don't think that is in the best interest of the completion of the interstate System or highway program at large. So anything that is done on the interstate program ought to give a pretty heavy incentive to fish or cut bait and get those transfers calculated one way or another and then just not constantly riding inflation, which means the interstate program can never get completed. I think that would be a problem that the small States versus large States would have with each other, that a very large urban section, for example, is continually left on the system and never substituted, and it just draws immense amounts of money when they are. So that I would think even though this committee has met and put this paper out, one of the bottom lines should be an expeditious determination of where it is so you can have a cutoff point and then hold people harmless.

Mr. FRANCOIS. One final comment, if I might, Senator. This does relate to the interstate completion issue very directly. Mr. Lamm mentioned some $4 billion worth of projects that may drop off as a result of the current deadlines. We are aware, I am sure your staff is aware, that there are certain interstate projects around the Nation that would be substituted for more viable, more useful highway projects if there was assurance that the money would be there. And I think you will hear from Mr. Bridwell in a few moments about a problem Maryland has in this respect.

They are not alone. There are some others out there that might well cancel some existing interstate projects that might better be solved through a combination of other highways at a lower cost but are afraid to make the move because of the funding history that this program has had.

Senator SYMMS. If I could change the subject just a moment and go to the Federal safety standards, what kinds of Federal safety standards would you say should continue to apply under the proposed consolidated highway safety improvement program?

Mr. CLEMENTS. Are you talking there, Mr. Chairman, about probably design standards?

Senator SYMMS. Yes. And then also should any of the recommended standards in the Manual of Uniform Traffic Control Devices be statutorily required?

Mr. CLEMENTS. That is a new one on us. I would say we have considerable testimony on the House side on oversight as to the implication of design standards for safety on new construction as well as reconstruction. This is a subject that you get into a whole subject by itself.

If I could summarize, we know how to build new systems to ultimate standards. When a new system is built, it probably should be built to ultimate standards. When we have to do reconstruction and get on older systems, I think the views of the States have been to conserve the dollars, that we would rather build 10 miles of improvements to some quantum jump of safety standards rather than 3 miles to the ultimate. We think what we would probably recommend would be as much flexibility as we could to always have an increase in safety standards but not be compelled to build everything to the ultimate, because we just don't think that is cost effective.

Senator SYMMS. Thank you very much, both of you. We appreciate having you here. Your testimony will be very helpful.

John, I know you will be leaving town, going back to New Hampshire and enjoying the summer.

Mr. CLEMENTS. The snow is finally melting, I think.

Senator SYMMS. But we will have Frank here to call upon. So thank you both.

Mr. CLEMENTS. Thank you.

Senator SYMMS. Lowell Bridwell, secretary, Maryland Department of Transportation.

We are glad to hear from you, Mr. Bridwell.

STATEMENT OF LOWELL K. BRIDWELL, SECRETARY, MARYLAND DEPARTMENT OF TRANSPORTATION

Mr. BRIDWELL. Mr. Chairman, thank you for the opportunity to appear before your committee. I would like to submit my statement for the record and then simply summarize what I consider to be the major points.

Senator SYMMS. Without objection, it will be made a part of the record.

Mr. BRIDWELL. I am taking this opportunity to express the views of the State of Maryland, separate and distinct from that of the National Governors Association, and other memberships which we hold, including those in AASHTO, because I think there are two or three, perhaps as many as four, major points which I believe need to be made that have not been covered in previous statements by organizations to which we are a party.

The first and foremost, of course, is that money is the problem, so that there is no question in our mind that there does need to be an enhancement, using the terminology of the day, to the revenues of the Federal Government that are dedicated for transportation purposes.

I believe, however, that Secretary Lewis is being a bit premature in terms of advocating a specific kind of tax and a specific amount or rate of tax in that an initial decision needs to be made at this time as to what the Federal role is going to be in the future.

You have heard testimony, and we subscribe to the particular point, that the Federal role should be redefined as to the highway program as being primarily responsible for something much closer to interstate commerce or tied much more closely to the concept of the interstate commerce clause in the Constitution.

As a result of that, we believe that it is appropriate for the Federal Government to turn back at least the secondary and the urban systems and the funding that needs to go with that. It was previously testified just a few moments ago that is estimated to be approximately $2 billion a year, or again the rule of thumb equivalent of 2 cents per gallon on the motor fuels tax. We do subscribe to that turnback because we think in addressing the relative roles of Federal, State, and local government that it is appropriate that State and local government have the responsibility for the secondary and urban programs and the wherewithal to carry that out.

If, of course, the Congress decided to turn back 2 cents of the present motor fuels tax, that obviously would only exacerbate a situation that is quite serious now; namely, your ability to fund your obligations for the major programs—major programs being defined as interstate, 4-R, the bridges associated with those, and the primary. So those are the ones that I am addressing as being the principal Federal responsibilities.

There is no question in my mind that there does need to be additional revenue to the highway trust fund, as I just indicated. But again I emphasize the point that sorting out the relative Federal, State, and local roles is an important prerequisite to the decision of both what kind of a tax and how much.

You will note, of course, and you have noted specifically, Mr. Chairman, in your statement that the highway trust fund expires this year. It is assumed, but is a decision yet to be made, that the highway trust fund should be continued. We obviously advocate the continuance of the highway trust fund, and I think it is time also that the Congress take a look as to whether the highway trust fund should or should not be included in the unified budgeting system.

Now, I make this point because right at the present time there is a balance of approximately $9 billion in the trust fund, although the obligations outstanding clearly are greater than that, but nevertheless there is a balance in the trust fund of approximately $9 billion. Thus, the overall unified budget of the Federal Government is enhanced by that $9 billion of cash plus the interest that it accrues on an annual basis from investment. Of course, if it were separated out, then there would be much more reason to continue it precisely as a highway trust fund, as distinct from a different kind of fund which the administration is advocating.

The administration, of course, is advocating that in addition to the regular highway program and particularly with the revenue increase that the highway trust fund take on some of the obligations of the transit program. It is also advocating that it take on the responsibility of the interstate transfer program and of certain other specialty programs, such as the Appalachian program.

Once again I emphasize that that is an accounting change. But it is an accounting change which only exacerbates the difficulty of properly funding the Federal-aid highway program. So that I think that that does need a careful bit of attention in the course of this committee's consideration of legislation this year.

The major problem, of course, and everyone so far has testified to it, is that simply the levels of authorization that are contemplated by 2315, while absolutely no question that the committee is trying to do the best it can, are just simply inadequate. At the minimum, we would need in constant dollars something in the order of $4 billion authorization per year, authorization and spending, incidentally, so it is not trimmed back substantially by obligational ceilings, in order to complete the interstate system by the 1990's. That also includes, obviously, the redefinition in which eligibility has substantially been reduced, and, therefore, the cost to complete has been substantially reduced.

By the same token, the level that is being contemplated for interstate transfer projects is clearly inadequate. I would suggest that at this particular level what is obvious to me is that the Federal Government simply isn't meeting its responsibility for what it undertook as a program starting back in the Federal Aid Act of 1973 and subsequently amended two or three times and is simply not carrying out its responsibility for what it undertook as a flexible and alternative program to building interstate projects where State and local government decided that there were better opportunities available for that kind of funds.

So again I emphasize the point that the funding level for interstate transfer projects is simply inadequate.

A fourth point I would like to make goes to the amount of 4-R funds and the formula on which they are distributed. Again, 4-R funds are inadequate. I have before me right at the moment a request by my State highway administration for a project of just obvious need. I have gone out and looked at it. It is clearly a case where reconstruction is necessary. Our 4-R funds are so limited that we are faced with a situation in which, if I do undertake that project this year, it will have to be done with 100 percent State funds.

Now, all of this, of course, just leads to the point we do need a revenue increase. I know that it is difficult to have a revenue increase. I have just completed a session with our own State legislature in the last 90 days in which we successfully persuaded them to pass a revenue enhancement bill. It is an exceedingly difficult thing to pull off in any time, and it is certainly difficult in an election year, which this is in the State of Maryland. But I do suggest that we had considerable support, broad support, within the legislature, both the majority and minority support, because it is clearly understood by the public that this is needed, and the public can sense and can visualize the benefits that they will receive out of it.

So it clearly is a different kind of a situation than a much more general kind of tax increase in which the public is never quite sure or never quite understands precisely the benefits they will receive from it.

Now, that clearly is not true of the highway trust fund. It historically has not been true since the fund was first established back at the beginning of the interstate program back in 1956. If the public can understand and be persuaded that there is a need, that the revenue that is being generated to meet that need will actually be spent that way, then I think you will find that there is an immense amount of public support for precisely what we are talking about.

In terms of the formula, which I said I would address, formulas are always difficult. That is why AASHTO or any other kind of an organization finds it exceedingly difficult to come before you and recommend a specific formula, because the application of a formula has such widely varying results among the States. So that I am not able any more than AASHTO or any of the other organizations to give you a specific formula.

I would suggest that there are four criteria that need to be taken into consideration, two of which you already have addressed in previous legislation, two of which are in your present bill, and that is miles and vehicle miles traveled. I think the third one that is very important is the percentage of truck traffic on an interstate system route. Again, it reflects the fact that the volume and the weight of commercial motor vehicles have a very substantial effect upon the life of interstate system miles. And then the fourth criteria that I would urge you to take into account is the age of the particular segment of the interstate system that does need reconstruction, repair, resurfacing, or whatever.

I think finally then I would go back to the interstate transfer point for just a moment, because we have before us a specific interstate route or a segment of a route which we are seriously considering whether to transfer. Right at the moment I will tell you frankly it is Hobson's choice, because on the basis of the record before me, I don't see any choice. I can leave it on the system, notwithstanding the difficulty and the exceeding difficulty and high cost of building it, but I will tell you frankly right at the moment I could not be persuaded it would be the wise thing to trade it in because I can't be persuaded that we would ever receive the money for the transfer.

Finally, I would just simply echo one additional point that was made earlier, and that is the exceeding difficulty in both time and cost of meeting the various Federal requirements in the form of regulations, that sort of thing. Now, that remark is not aimed primarily at either the Federal Highway Administration or the DOT but, rather, it is aimed at the Congress itself.

The reason that I say that is over the period of years, and particularly throughout the decade of the seventies, the Congress did a very unusual thing. It gave responsibility to agencies of Government but without any program responsibility. What I mean by that is that there are a number of agencies in the Federal Government which the Congress has authorized to interact on the Federal aid highway program, but those agencies have no responsibility for the highway program.

Now, although the language of the statute clearly does not say so, the practical effect is that other agencies of government can veto Federal aid highway projects or can so completely inhibit their development that it becomes almost a veto power without the program responsibility to construct and maintain an adequate highway system. So that again I would strongly urge that the Congress rethink the question of the appropriate role of Federal agencies that do not have program responsibility to influence ultimate decisions that properly should be made by the U.S. Department of Transportation and the Federal Highway Administration.

That completes my remarks, Mr. Chairman.

Senator SYMMS. I thank you very much for that excellent statement. Coming from a western State that is two-thirds owned by the Federal Government, we certainly come in conflict with that on numerous occasions where we have not only the USDA but the Department of Interior and the Park Service or what have you involved in these decisions that become very, very complicated. That is an excellent point.

I appreciate having you here. I would like to say in closing the hearing that I thank all of the witnesses who have made the hearing possible. I thank both the minority and majority staff for the job they did in setting up the hearing.

We will keep the record open for 2 weeks for anyone wishing to submit a statement. If there is no one else here who wishes to testify, we are adjourned.

[Whereupon, at 3:50 p.m., the subcommittee was recessed, to reconvene subject to the call of the chair.]

[Statements submitted for the record, responses to written questions, and the bill, S. 2315, follow:]

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
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STATEMENT OF
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
ON THE TOPIC OF
THE FEDERAL-AID HIGHWAY PROGRAM

This statement presents the views of the Associated General Contractors of America on the critical issues facing the Federal-aid highway program today. The statement also presents the association's views on the various provisions of S.2315, the Federal-aid Highway Act of 1981.

AGC Resolutions

The Associated General Contractors held its 63rd Annual Convention/CONSTRUCTOR Exposition in Houston, Texas, March 11-16, 1982. AGC's historical support for an adequately-funded Federal-aid highway program was strengthened with the adoption of three highway-related resolutions which speak to the need to protect the nation's transportation system. Those resolutions are as follows:

THE VITAL TRANSPORTATION INITIATIVE OF TRANSPORTATION SECRETARY DREW LEWIS

The Associated General Contractors of America supports Secretary of Transportation Drew Lewis' initiative to increase highway user fee revenues by $5 to $6 billion annually, since

AGC believes, as the Secretary does, that America's progress and economic future is vitally linked to an adequate transportation system.

The Associated General Contractors of America commends Transportation Secretary Lewis for his continuing efforts to prevent further deterioration of America's transportation network, and at the same time to enhance the nation's economic recovery by increasing much needed capital investments in highway and transit facilities.

AN ADEQUATELY FUNDED FEDERAL-AID HIGHWAY PROGRAM

This nation desperately needs an adequately funded, long-term and stable Federal-aid highway program to reverse the deterioration of its system of highways and bridges.

The Associated General Contractors of America believes that:

1. The Federal-aid highway program should be immediately increased to at least $12 billion per year.

2. There should be the equivalent of an immediate doubling of the Federal highway user fee.

3. The cash balance in the Highway Trust Fund should be expeditiously reduced to $2 to $3 billion.

4. The imposition of obligation limitations, which force the Federal-aid highway program to operate below authorized levels, should be discontinued.

5. The Highway Trust Fund should be extended indefinitely.

6. All types of energy used to propel a vehicle over the highway should be subject to the imposition of user fees.

FEDERALISM AND THE FEDERAL-AID HIGHWAY PROGRAM

The Associated General Contractors of America believes that the long-term needs of America's highway and bridge system, under any Federalism proposal, can only be met if that proposal is based on the following principles:

1. The Federal Government's responsibility to the nation's interstate commerce and defense highway network clearly extends to the Primary System, including bridges.

2. An increase in revenues at the Federal level is a necessary precondition to the turnback of any highway responsibilities to the States since no one gains when the States are bequeathed increased responsibilities without money or the Federal Government is left with inadequate resources to properly administer even greatly reduced Federal responsibilities.

3. Regardless of which level of government exercises responsibility over any portion of the highway program, there must be the equivalent of a doubling of the Federal highway user fee to finance the highway and bridge needs that already exist.

4. Any highway revenues returned to the states must be used for highway and highway related purposes.

These resolutions have provided the Associated General Contractors, at this critical juncture in the Federal-aid highway program's history, with timely and well-reasoned statements of policy, from which the association will be able to judge the adequacy of any proposal that is advanced to address the needs of our nation's transportation system.

Federal-Aid Highway Program Needs

On June 25, 1979 Congressman Bud Shuster set the tone for the deliberations that have since taken place in the Congress, in the Executive Branch and throughout the country over the rapidly deteriorating condition of our nation's system of highways and bridges. On that day Congressman Shuster released the final report of the National Transportation Policy Study Commission, which he so ably chaired, to the public. Speaking for the Commission, Mr. Shuster warned at that time that "The world's best transportation system is in danger, it may not be able to meet the needs of a growing America." He also warned that "The present levels of public and private investment will not preserve the existing system."

The Transportation Policy Study Commission's findings have since been confirmed and reinforced by an almost exhaustive number of public and private sector studies, reports and white papers.

In January 1981 Secretary of Transportation Neil Goldschmidt, in releasing his Department's sixth biennial report on "The Status of the Nation's Highways: Conditions and Performance" pointed out that "Based on projections through 1995, it is apparent that unless highway revenues and investments increase, the condition of the Nation's highways will continue to deteriorate and performance levels will be threatened." Similar findings are to be found: in the American Association of State Highways and Transportation Officials' November 1980 position paper, "A Program for America's Highways in the '80's;" in the March 1981 General Accounting Office Report to Congress on "Deteriorating Highways and Lagging Revenues: A Need to Reassess the Federal Highway Program;" in the March 1981 Second Annual Report to Congress by the Federal Highway Administration on the Highway Bridge Replacement and Rehabilitation Program; in the April 1981 report on "Total Transportation Financial Needs During the Next Decade (1981-1990)" prepared by the American Transportation Advisory Council; and most recently in a December 1981 communication from the Secretary of Transportation to the Director of the Office of Management and Budget in which the Secretary made what AGC considers to be one of the most cogent and telling statements of the last year on the subject of highway program funding needs. In his letter the Secretary explained that:

> There is a pressing need for added capital investment in transportation generally. The deferral of capital improvements in recent years is reflected in marked deterioration of both highway and transit facilities and services. Necessary capital investments were further postponed in the FY 1982 budget and accompanying legislation to achieve the immediate goal of controlling Federal expenditures. Unless this trend is reversed, the resulting inefficiencies and increased costs, in both goods and people movement, will begin to erode private sector productivity gains and dampen the nation's economic recovery.

We at AGC believe that the question of whether this nation faces a highway funding crisis is no longer open to debate. The needs are there, they have been proven to exist, their levels have been quantified, their ever-worsening condition has been recognized and the vast majority of pertinent information on these highway program needs is now a matter of public record.

We believe that the only issue open for debate at this time is whether the size and shape of any program that is proposed -- by the Administration or the Congress -- adequately addresses the highway funding needs that we all now know exist.

The Need for an Immediate Increase in Federal-aid Highway Program Revenues

It is a very basic and unavoidable fact that there must be the equivalent of an immediate doubling of the Federal highway user fee.

AGC has called for such an increase since September 9, 1980 when in testimony before the Senate Transportation Subcommittee we pointed out that "the needs justify, indeed demand, that an effective, immediate doubling of the current highway user fee is the absolute minimum increase deemed acceptable at this juncture. To do less will simply fail to do the job."

AGC did, of course, support the Administration's efforts last year to postpone necessary capital investments in highways in order to help achieve the immediate goal of controlling Federal expenditures. However, AGC's support was based on its understanding that the reduction in highway funding would indeed be a one-time, temporary postponement of necessary capital investments. When the Administration later proposed to further reduce Federal-Aid Highway Program funding by $1. billion, AGC strongly opposed the action, pointing out that "Any further reduction to that program level will only hasten the rate at which our nation's highway system is deteriorating. AGC believes that the Federal-Aid Highway Program, which is totally paid for through the imposition of user fees, should not bear the burden of any further Federal budget reductions."

AGC reinforced its call for a much-needed increase in highway user revenues when on December 16, 1981 our association's President, Thomas E. Dailey and Executive Vice President, Hubert Beatty met with President Reagan. While offering AGC's continued support of the Administration's economic program, Mr. Dailey emphasized to the President that the nation's investment in all public works must be protected through adequate funding for much-needed improvements. Mr. Dailey told the President that "the construction of public works facilities is a necessary adjunct to growth in the private sector," and went on to recommend to President Reagan that he support a minimum equivalent increase of five cents a gallon in highway user fees "in order to reverse the rapid deterioration of the nation's highway system."

When AGC subsequently became aware of the specifics of the Transportation Department's proposal to generate an additional $5 to $6 billion annually which would be used to fund transportation projects and not to balance the budget, we strongly endorsed the proposal, believing it "to be equitable, well-balanced and in the best interests of the highway and transit communities." We advised the Secretary of Transportation that we planned "on actively encouraging maximum support for this vital transportation initiative."

The Proposal of Secretary of Transportation Drew Lewis to Increase Federal Highway User Fees

This nation desperately needs an adequately-funded Federal-aid highway program, and State and Federal transportation officials and industry representatives are in agreement that an adequate level of funding for the program should not be below $12 billion at this time.

To fund such a program will require the equivalent of at least an immediate doubling of the Federal highway user fee. AGC is strongly supporting Secretary of Transportation Drew Lewis' proposal to increase federal highway user fees by the equivalent of 5 cents-per-gallon, which will increase revenues by $5 to $6 billion annually, bringing the Federal-aid highway program to the $12 billion level in FY 1983. We do so in the firm belief that Secretary Lewis is offering a realistic, workable and equitable proposal that provides the user fee revenues and the program authorizations that we believe are required to ensure that our highway transportation system will be adequately maintained.

Consider the following facts:

- Ten percent of the Interstate system needs immediate resurfacing.
- Almost half the Interstate system will need major repairs by 1995 and other highway systems are in even worse shape. More than half the Primary system will reach the end of its design life during the 1980's.
- Almost three-quarters of this nation's bridges are over 50 years old and 40 percent are already judged deficient. Bridge costs for replacement or reconstruction are approaching $60 billion.
- All levels of government, taken together, are currently spending only half of what is needed just to keep this nation's highways serviceable.
- The basic four cents per gallon Federal highway user fee has not changed since 1959 and is now worth less than a cent.
- Increased capital investments in highways are needed now to guarantee a safe and efficient transportation network, which is so essential to a healthy national economy.
- Recent trends toward deferring needed capital investments in transportation, if not reversed, will result in inefficiencies and increased costs which will certainly erode private sector productivity gains and dampen the nation's economic recovery.
- User fees have been the centerpiece of the Reagan Administration's plan to restore marketplace incentives for efficient transportation services.

- An increase in highway user fee revenues at the Federal level is a necessary precondition to the turnback of any highway program responsibilities to the States under any Federalism proposal since no one gains when the States are bequeathed increased responsibilities without adequate financial resources or the Federal Government is left with inadequate resources to properly administer even greatly reduced program responsibilities.
- A $5 to $6 billion increase in highway user fee revenues at the Federal level would have a significant and positive near-term fiscal effect on the total Federal budget. Because of the slow pay-out characteristics of highway and transit capital projects, FY 1983 and FY 1984 budget deficits would be reduced by an average of $4 billion per year.
- A $5 to $6 billion increase in capital investments for highway and transit would create at least 160,000 additonal jobs annually in the construction industry--an industry currently suffering an 18 percent unemployment rate, twice the national average.

AGC believes that Secretary Lewis' funding proposal should form the basis for Congressional discussion and consideration of a comprehensive surface transportation measure that would go far toward ensuring that America's essential mobility needs are met.

Federalism and the Federal-Aid Highway Program

With regard to the President's Federalism proposals, AGC's comments should not be construed as an expression of the association's position on the President's overall initiative. Our comments are directed only to the impact of the New Federalism on the Federal-Aid Highway Program and present our conclusions as to whether that impact is beneficial or detrimental.

Under the New Federalism as originally proposed, beginning in FY 1984 two cents of the four cent Federal highway user fee would flow into an omnibus Federalism trust fund, along with alcohol, tobacco and telephone excise taxes and a portion of the oil windfall profits tax. The states would, over an eight year transition period beginning in FY 1984, assume responsibility over some forty-plus grant programs, including all highway and bridge programs other than the Interstate.

From FY 1984 through FY 1987 each State could use its trust fund allocation to continue receiving some or all of the grant programs that are designated for turnback, or to the extent a State would choose to forego any grant program, it could use that portion of its trust fund allocation to fund other grant programs or it could consider the monies to be "super revenue sharing" which could be used for other purposes. Beginning with FY 1988 the affected programs would cease to exist as Federal programs and the Federalism trust fund would be gradually reduced until after FY 1991, it too would cease to exist.

The two cents in highway user fees accruing to the Federalism trust fund would be mingled with other revenues; that is, they would not be dedicated to funding highway improvements, as is currently the case under the Highway Trust Fund. The remaining two cents of the current Federal highway user fee would be retained by the Federal Government, presumably in the Highway Trust Fund, to fund the Interstate construction and 4-R programs.

Our analysis of the impact of the President's Federalism proposals on the Federal-Aid Highway Program was based on the following principles, in which AGC strongly believes:

1. At a minimum the Federal Government's responsibility to the nation's interstate commerce and defense highway network clearly extends to the Primary System, including the bridges on that system;

2. Regardless of which level of government exercises responsibility over any portion of the highway program, there continues to be the need for the equivalent of at least an immediate doubling of the Federal highway user fee to finance the highway and bridge needs that already exist;

3. Such an increase in revenues at the Federal level is a precondition to the turnback of any program responsibilities to the States since no one gains when the States are bequeathed mileage without money or the Federal Government is left with inadequate resources to properly administer even greatly reduced program responsibilities; and

4. Any proposal calling for a turnback of highway revenues to the States must provide for the dedication of those revenues to highway and highway-related purposes.

Viewing the President's Federalism initiative from the perspective profiled by these principles leads AGC to conclude that the President's New Federalism simply fails to present us with a method by which this nation's highway and bridge improvement needs will be adequately addressed over the long term.

Increased Revenues as a Precondition to Federal-aid Highway Program Turnbacks

The proposal of Transportation Secretary Lewis to increase Federal highway user fees clearly enhances the transportation aspects of the President's New Federalism by assuring that highway program responsibilities returned to the states will be accompanied by adequate revenues to meet required expenditures.

By reviewing the FY 1984 Federal-Aid Highway Program authorizations called for by Secretary of Transportation,Lewis in his proposal to increase transportation revenues $5 to $6 billion annually, as set forth in the Secretary's December, 1981 letter to Office of Management and Budget Director David Stockman, one can quickly realize why AGC considers an increase in user fee revenues at the Federal level to be a precondition to the turnback of any highway program responsibilities to the States.

The Secretary's letter proposes an overall authorization of $12.8 billion for the Federal-Aid Highway Program for FY 1984. One-half of that amount, or $6.4 billion, would be for the Interstate construction and Interstate 4-R programs. The remaining $6.4 billion in authorizations would fund the Primary, Bridge, Secondary, Urban, Safety, Federal Lands, Emergency Relief and Interstate Transfer Programs, all of which were identified as programs to be turned over to the States under the New Federalism.

While assuming $6.4 billion in highway program responsibilities, the States would under the New Federalism, only be given an additional $2.2 billion in highway related revenues. Moreover, those funds would not even be dedicated to the highway program, but could literally be used for any general purpose.

So, while the public's perception would be, as the Administration has termed it, that "For the States, individually and collectively, the (Federalism) plan involves essentially no net financial gain or loss," in actuality the States would be forced to assume highway program responsibilities far in excess of the additional highway revenues being made available.

The only solution at the State level would of course be to seek further dramatic increases in transportation revenues -- not at all an easy task with the public believing that under the New Federalism the States would be "losing nothing in fiscal terms."

Certainly the States would not be in a position to assume those additional highway program responsibilities without immediately having to seek additional highway revenues. The States are already facing a highway funding crisis as witnessed by the fact that 22 States felt it necessary to increase motor-fuel fees last year alone -- increases that were required to meet program responsibilities already existing at the State level. While some may argue that 1981 was a strong year for increases in highway revenues at the State level, it was really a year in which the States were only able to hold their own as they strove to meet growing transportation needs. It is important to remember that even if the President's New Federalism called for a turnback of highway revenues that matched increased program responsibilities on a dollar-for-dollar basis, the States would still not be excused from the need to raise additional revenues to meet their existing highway and bridge program needs.

At the same time the States would be given inadequate revenues to meet their increased highway program responsibilities under the President's Federalism proposal, the Federal Government would be left with the responsibility for completing and maintaining the Interstate System without the financial resources necessary to meet its obligation.

AGC believes that, without an increase in user fee revenues at the Federal level, Federalism will simply not work in transportation, which is unfortunate because there is no better area to achieve the New Federalism's objectives than in transportation. As Secretary Lewis so appropriately stated on March 11, 1982 before the Associated General Contractors' national convention:

> In transportation, we are confident Federalism can be a dynamic and positive program. We have essentially had Federalism in the highway program since the 1930's, so we know it will work....And one tremendously important pledge which the President (has) made is that there will be no net winners and losers in the Federalism program and I reaffirm that commitment to you now. We must see that the revenue to carry the programs is returned to state and local governments along with the responsibility. A strengthened user fee and a Federalism program acceptable to all partners are the keys to a bright future in transportation.

The Public's Understanding of the Highway User Fee System And the Public's Attitude Toward Increasing The Federal Motor Fuel Tax

Recent surveys show us that while the American public has begun to better understand the critical role adequately maintained highways play in their daily lives, that public still does not sufficiently understand the often complex method by which highway improvements are financed.

The Midwest Research Institute (MRI) recently interviewed 2,000 randomly selected individuals throughout the United States on behalf of The Road Information Program (TRIP) to develop a statistically valid determination of the American public's awareness of current highway and bridge conditions and the origin and use of the revenues that finance highway and bridge improvements. In the area of the public's awareness of highway financing mechanisms, particularly at the Federal level, the survey's findings are most interesting.

Of the nationwide sample, almost 60 percent indicated their belief that gasoline taxes are the primary source of funds for highway and bridge improvements. However, the majority of the respondents clearly had no idea how much gasoline tax, either state or Federal, they pay with each gallon of gasoline purchased.

Of the 2000-person sample, only 691 respondents (35 percent) even ventured a guess as to how much they pay in state gasoline taxes. In terms of cents per gallon, the responses ranged from 1 cent to 80 cents, with the mean falling at 11.1 cents. (The nationwide average currently is 9.9 cents, up from 8.7 cents in 1980.)

Even fewer respondents -- only 268, or 13 percent of the sample -- provided an answer regarding the level of the Federal gasoline tax. Their responses ranged from 1 cent to 36 cents, with the mean falling at 8 cents per gallon. Of the 268 respondents that did provide an answer on the Federal gasoline tax, only 59, or 3 percent of the entire sample, responded with the correct answer of 4 cents. However, further analysis of the responses received from even this group indicated that many of them may have been guessing.

With regard to when the Federal gasoline tax was last increased, only 229 respondents (11 percent) claimed to know when the last increase occurred. However, in a subsequent question only a single respondent was able to properly identify the year (1959) of that occurrence.

Almost 60 percent of the 229 respondents who claimed they knew when the last Federal gasoline tax increase occurred named 1981 as the year of that increase. Close to 30 percent of the respondents thought the last increase was enacted in 1980. Slightly less than 6 percent named 1979. The remaining 4 percent were distributed between 1978 and 1961.

The survey also showed the American public's knowledge of the Highway Trust Fund to be minimal. Of the 2000 person sample only 330 respondents (16 percent) indicated that they had even heard of the Trust Fund. When asked about the function of the Highway Trust Fund, 63 percent of the 330 respondents indicated they had no insight into what the Trust Fund actually does.

AGC believes that the results of this important survey dispel the belief of some that the American public simply would not support an increase in the Federal gasoline tax, as called for by Transportation Secretary Lewis. To the contrary, AGC believes that once the American public is given the opportunity to learn that the increase is being proposed to provide for much-needed transportation capital investments, rather than to merely help reduce the Federal deficit, support for the proposal will be widespread.

This belief has been borne out in a very recent survey by Congressman Frank Wolf (R-VA). Over 22,000 citizens of the 10th District of Virginia responded to a 1982 legislative questionnaire distributed by Congressman Wolf. The responses to the following survey questions literally speak for themselves:

Question #1

Should it become necessary to raise taxes to reduce the federal deficit, please indicate whether you favor or oppose each of the following taxes.

Response #1

Gasoline tax

A.	Favor	43%
B.	Oppose	51%
C.	Undecided	6%

Question #2

In recent years, rising costs due to inflation have significantly depleted the Highway Trust Fund used to finance construction of the nation's interstate highway system. One proposal is to raise the current federal gasoline tax by 5 cents, from 4 cents to 9 cents per gallon. Of that proposed nickel increase, 4 cents would be dedicated to building and maintaining the nation's highway system and 1 cent earmarked for mass transit projects such as Metro. If Congress is presented with this option, would you favor or oppose such a gasoline tax increase with the funds to be used for highway and mass transit programs?

Response #2

A.	Favor	61%
B.	Oppose	33%
C.	Undecided	6%

The Federal-aid Highway Act of 1982, S.2315

The American Association of State Highway and Transportation Officials recently stated that this nation's Federal-aid highways are "grossly underfunded, to the extent that a national crisis exists." The best professional judgement of state and Federal transportation officials is that an adequate level of funding for the Federal-aid highway program, as it is currently structured, should not be below $12 billion per year.

AGC has reluctantly concluded that the funding levels provided for in S.2315, as introduced, will not allow the States sufficient contract authority to meet the highway construction and reconstruction needs that currently exist. We therefore applaud the statement of Chairman Symms, in introducing S.2315, that "If it is the decision of Congress and the administration to increase user fees this year, the funding levels of this bill will be adjusted to reflect those increases."

We at AGC fervently hope that it will be the decision of Congress and the administration to increase user fees this year and to enact a multi-year highway authorization with funding levels based on that fee increase.

Should Congress and the administration choose not to increase user fees this year, AGC would favor a one-year program extension, that could also provide for any program modifications and improvements deemed necessary at this point. In essence, should there be no increase in revenues this year we would hope to get the second year of that two-year bill many of us supported last year.

S.2315 also continues the practice of establishing a limitation on obligations which forces the Federal-aid highway program to operate below authorized levels. Such limitations, along with more recent "fiscal initiatives" such as quarterly controls on obligations, are not justifiable.

AGC has long believed that the most desirable solution to this issue is the removal of the Highway Trust Fund from the unified budget. Until that occurs, we will continue our call for the discontinuation of obligation ceilings that force the Federal-Aid Highway Program to operate below authorized levels. If the highway program's problem basically stems from inadequate user fee revenues we contend that the problem is only exacerbated by the refusal to put to use the revenues that are collected.

There are several aspects of S.2315 which AGC endorses; among them: a requirement that the Secretary of Transportation conduct a study on the procedures used for apportioning Interstate 4R authorizations; a provision providing that Interstate Substitutions for Highways be funded from the Highway Trust Fund; the creation of a consolidated highway safety improvement program; the continuation of separate 1/2 percent minimum apportionment guarantees for the Interstate construction and Interstate 4R programs; the elimination of a number of small categorical programs; extension of the Highway Trust Fund through FY 1989; increasing the transferability of apportionments among Federal-aid programs; and an expansion and streamlining of certification acceptance procedures.

Summary and Conclusion

We at AGC believe that the Federal-aid highway program simply cannot be allowed to limp along on a totally inadequate funding base. Continuing to defer much-needed capital investments in our transportation system will result in inefficiencies and increased product costs. It will erode private sector productivity gains and it will most certainly dampen economic recovery. This is particularly true in the construction industry--an industry currently suffering an 18 percent unemployment rate, twice the national average, and an industry which last year saw contractor failures hit a new high.

On June 25, 1979 when National Transportation Policy Study Commission Chairman, Congressman Bud Shuster released the Commission's final report to the public, he warned that "The world's best transportation system is in danger, it may not be able to meet the needs of a growing America."

Now, close to three years later, very little has been done at the Federal level to take that system out of danger. In fact, it is in even greater danger today and AGC agrees with AASHTO--our transportation system has deteriorated to the point that a national crisis exists.

At AGC, we believe that 1982 can--indeed, must--be the year in which the Federal-aid highway program is revitalized so that it will once again be able to adequately address the long-term needs of America's highway transportation network.

To do less will simply fail to do the job.

THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA

1957 E Street, N.W. • Washington, D.C. 20006 • (202) 393-2040 • TWX: 710-822-9406 AGC WSH

H. C. HELDENFELS, *President* RICHARD S. PEPPER, *Senior Vice President* JAMES D. PITCOCK, JR., *Vice President*

A. A. BENINTEND, *Treasurer* HUBERT BEATTY, *Executive Vice President*

May 10, 1982

The Honorable Steve Symms
Chairman, Subcommittee on Transportation
United States Senate
Washington, D. C. 20510

Dear Senator Symms:

The following responses are provided to the questions included in your letter of April 23, 1982 to Mr. Doug Pitcock:

Questions from Senator Symms

1. S.2315 directs the Secretary to develop a selection process for the discretionary bridge program which includes a formula based on such criteria as the sufficiency rating, average daily traffic, truck traffic, defense highway system status, and a State's unobligated balance of bridge funds. Are there other factors that are good indicators of bridge deterioration which you believe should be included in the formula?

   AGC Response

   AGC has no established position what factors should be considered in the distribution of discretionary bridge funds. The association does believe, however, that if 23 USC 144(g) is to be revised in a manner that restricts the Secretary's discretion in allocating discretionary bridge funds, those bridges which have already been determined to be eligible for such funds should not lose their eligibility status under any such revision.

2. What kinds of Federal safety standards should continue to apply under the proposed consolidation Highway Safety Improvement Program? Should any of the recommended standards in the Manual on Uniform Traffic Control Devices be statutorily required?

   AGC Response

   AGC has no established position on this issue.

THE FULL SERVICE CONSTRUCTION ASSOCIATION FOR FULL SERVICE MEMBERS

Questions from Senator Randolph

1. Mr. Pitcock, do you believe that the proposal of Secretary Lewis for an equivalent five cent per gallon tax increase will raise sufficient revenue to support the $12 billion program which you recommend in your testimony?

   AGC Response

   Yes. To fund the Federal-aid highway program levels called for by AGC in its testimony will require the equivalent of at least an immediate doubling of the Federal highway user fee. The AGC believes that Secretary Lewis is offering a realistic, workable and equitable proposal that provides the user fee revenues and the program authorizations that are required to ensure that this nation's transportation system will be adequately maintained.

2. Could you summarize the AGC position on the proposed turnback of a portion of the highway program to the States? How will this affect revenue available to meet the retained Federal program?

   AGC Response

   The Associated General Contractors of America believes that the long-term needs of America's highway and bridge system, under any Federalism proposal, can only be met if that proposal is based on the following principles:

   An increase in revenues at the Federal level is a necessary precondition to the turnback of any highway responsibilities to the States since no one gains when the States are bequeathed increased responsibilities without money or the Federal Government is left with inadequate resources to properly administer even greatly reduced Federal responsibilities.

   Regardless of which level of government exercises responsibility over any portion of the highway program, there must be the equivalent of a doubling of the Federal highway user fee to finance the highway and bridge needs that already exist.

   Any highway revenues returned to the states must be used for highway and highway related purposes.

   The Federal Government's responsibility to the nation's interstate commerce and defense highway network clearly extends to the Primary System, including bridges.

Sincerely,

John R. Gentille
Director
Highway Division

ARTBA
American Road & Transportation Builders Association

Statement

of the

American Road & Transportation Builders Association

before the

Committee on Environment and Public Works
Subcommittee on Transportation
United States Senate
97th Congress, Second Session

Re: S. 2315 - The Federal-Aid
Highway Act of 1982

Witnesses:

Daniel J. Hanson, Sr.
President
ARTBA

James A. Caywood
Chairman
ARTBA

April 21, 1982

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525 School Street, S.W., Washington, D.C. 20024 • (202) 488-2722

Mr. name is James A. Caywood, and I am president of De Leuw, Cather & Company, an engineering and planning firm with headquarters in Washington, D.C. Today, I am here in my capacity as chairman of the American Road & Transportation Builders Association.

ARTBA is a national organization vitally concerned with all modes of transportation, with more than 4,600 corporate and individual members. Our members are involved in all aspects of the transportation design and construction industry. The membership includes contractors, public officials at all levels of government, planning and design professionals, manufacturers and distributors of construction equipment, producers and suppliers of materials and services, representatives of the traffic safety industry and educators in the field of transportation engineering.

We wish to commend the Chairman of the Subcommittee for introducing S. 2315, with the bipartisan support of other members, including the Chairman and ranking minority member of the full Committee and the ranking minority member of the Subcommittee. We believe that you have acted responsibly by bringing a bill forward at this time. It is important that proposed legislative language be brought out on the table so that the issues can be discussed in specific terms.

As the Chairman emphasized in his remarks at the time the bill was introduced, the major weakness of S. 2315 is that it does not provide adequate funding to meet the essential needs of the highway program. As the Chairman pointed out at that time, "to continue to defer capital improvements and maintenance will impair our transportation system and impede economic recovery." We are also pleased that the Subcommittee plans a series of hearings this spring and summer to consider the results of the Highway Cost Allocation Study and the need for increases in highway user fees.

The revenue provisions of the bill are, as we all understand, the primary responsibility of the Senate Finance Committee and the House Ways and Means Committee. In accepting this political reality, we are also mindful of the Declaration of Policy contained in Section 209(b) of the Highway Revenue Act of 1956:

> "It is hereby declared to be the policy of the Congress that if it hereafter appears --
>
> "(1) that the total receipts of the Trust Fund ... will be less than the total expenditures from such funds; or
>
> "(2) that the distribution of the tax burden among the various classes of persons using the Federal-aid highways, or otherwise deriving benefits from such highways, is not equitable, the Congress shall enact legislation to bring about a balance of total receipts and total expenditures, or such equitable distribution, as the case may be."

This Declaration of Policy was enacted in 1956, and has never been repealed, although it has been neglected. It was the Congressional intent, in 1956, that the highway authorizing committees would regularly review the program needs and establish authorizations at appropriate levels. It would then be the responsibility of the revenue committees to propose legislation "to bring about a balance of total receipts and total expenditures." This was done in 1959, when it appeared that Highway Trust Fund receipts would not be adequate to meet proposed expenditures. In that year, the motor fuel user charge was increased from three cents to four cents per gallon.

Times have obviously changed. This was before the era of the unified Federal budget, and a time when it was accepted policy to put highway-user revenue to work as expeditiously as possible.

Who currently determines the appropriate funding level for the Federal-aid highway program? The decision is now evidently the work of many hands in the Executive Branch and several committees in the Legislative Branch. ARTBA continues to believe that the Congressional authorizing committees are best equipped to evaluate the program needs. They have both the prerogative and responsibility to propose funding levels.

We fully recognize the political realities. It may well be that program levels proposed by this committee would not be supported by the budget or finance committees and would have to be revised. Nevertheless, this seems preferable to the alternative, which is to hope that revenue legislation will move forward in advance of authorizing legislation. That order of events is extremely unlikely.

Proposed Funding Levels

We hope, therefore, that this subcommittee will see fit to adopt a program of Federal-aid highway authorizations amounting to approximately $12 billion for Fiscal Year 1983. This level should be increased to approximately $16 billion by Fiscal Year 1986. These are the minimal dollar requirements for an adequate program, as developed in testimony submitted by numerous witnesses last year. In justification of this program level, we submit the following brief comments on the major Federal-aid categories:

(a) Interstate completion. Congress has established the goal of completing the Interstate System by 1990. ARTBA strongly supports this timetable. However, this is a realistic goal only if adequate Federal funding is provided. Present law requires that all remaining segments of the Interstate System be under construction by September 30, 1986, assuming adequate Federal funding. The 1981 Interstate Cost Estimate indicates that the total Interstate apportionments for Fiscal Years 1984 through 1990 should be $26.7 billion. By very simple arithmetic this is $3.8 billion per year! However, if we are to meet the 1986 deadline, substantially higher authorizations for Fiscal Year 1984-1986 will be necessary. Annual authorizations on the order of $6 billion are fully justifiable.

(b) Interstate 4R. Authorizations for the new Interstate 4R program must be increased dramatically in order to meet the program's expanded requirements. We are faced with over $20 billion of "3R" needs. We also have the necessity of funding some $16 billion of work which was deleted from the Interstate completion program by the 1981 Highway Act. This Act provided only $800 million for Fiscal Year 1982 and the same amount for Fiscal Year 1983. This is a good start, but the program level should be increased to $1.2 billion immediately and should reach a program level of $3 billion per year within four years.

(c) Interstate Transfer. The Interstate Transfer program was intended to give the states the option of deleting certain designated Interstate links. States are allowed to substitute highway and/or transit projects in order to meet more critical transportation needs in urbanized areas. The Federal government has a "good faith" commitment to fund the Federal share of such substitute projects within a reasonable time-frame. This commitment has not been met. Appropriations for the Interstate Tranfer program should be made at a level to ensure that the program can be closed out by 1986. A minimum of $1.5 billion annually is needed in order to accomplish this goal.

(d) National Bridge Program. The reduction in authorizations from Fiscal Year 1981 to Fiscal Year 1982 was extremely damaging to the national bridge replacement and rehabilitation program. This reduction, from $1.3 billion to $900 million, was a decrease of more than 30 percent. The bridge inventory, now virtually complete in all states, indicates a funding need of $2.5 billion in Federal-aid funds annually. The recommended level of funding for Fiscal Year 1983 is $1.5 billion. (The attached table clearly supports this need for both on and off the Federal-aid System.)

(e) Primary and Secondary Funding. In order to offset the inroads of past inflation, authorizations for the primary and secondary highway construction programs need to be increased at least 50 percent above current levels. Starting from this base, further increases should be phased in, based on a very careful scrutiny of the individual merits of each categorical program. On this basis, the immediate program level should be about $2.2 billion for the primary program and $600 million for the secondary program.

(f) Urban Program. A number of suggestions have been made for restructuring the Federal-aid urban program. They range from complete abandonment of the program to a very significant expansion, whereby substantial amounts of funds would be channeled into public transit capital investments, In view of the wide variety of current suggestions, we would like to reserve any further comment on the urban program for a later date. For the purpose of reaching an estimate of total program costs, we have assumed continuation of the urban program at the $800 million level.

(g) Safety construction. Highway traffic accidents constitute one of the most serious public health problems in the United States. The safety construction program, focuses on the elimination of specific traffic hazards, such as highway-railroad grade crossings. It has proven highly effective in accident reduction. Public health has been generally recognized as a proper Federal responsibility. It would be disastrous to abandon the Federal-aid safety construction program at this time. ARTBA strongly supports a consolidated highway safety improvement program to cover all of the safety construction activities presently included within Title 23 of the United States Code. A minimum of $600 million annually is needed for this consolidated program. (See attached tables which indicate both the overall traffic death rates and the specific fatality reductions which have occurred in highway-railroad grade corrsing accidents.)

Specific Provisions of S. 2315

S. 2315 would extend authorizations for the highway program for four years, through Fiscal Year 1986. We agree that highway authorizations should be enacted in four-year increments in order to give the states a basis for planning their long-range programs. We support the concept of a four-year bill, with two caveats:

1. The funding levels in S. 2315 are clearly inadequate. Therefore, the enactment of any bill with such low levels would make it highly important for Congress to return to the subject of highway legislation again next year.

2. The establishment of annual obligation ceilings and the imposition of a further restriction on obligations in the

first quarter of the fiscal year is a serious obstacle to long-range planning. If budgetary considerations dictate the establishment of obligation ceilings, they should be set high enough to permit states to at least obligate amounts equal to annual authorizations. States with larger backlogs of unobligated apportionments should be permitted to reduce them as soon as possible.

ARTBA supports the proposed consolidation of highway safety programs into a single highway safety improvement program. We support the provision of S. 2315 which calls for states to expend not less than 35 percent of their highway safety improvement funds for rail-highway grade crossing improvements. The grade crossing program is the one element of the proposed consolidated program which involves private funding (from railroad companies). It is for this reason that an assured level of funding is necessary if the program is to succeed. Unfortunately, the funding level proposed for this program is only about one-fourth of the amount needed to sustain an adequte program.

S. 2315 would change the apportionment formula for the bridge rehabilitation and replacement program to take into account off-system bridge needs. The bill also calls for the Secretary of Transportation to development specific criteria for the selection of bridges to be constructed or repaired under the discretionary bridge program. We strongly support both of these provisions. We have some concern that the development of specific criteria for the discretionary program could result in an undersirable loss of flexibility. However, we are satisfied that the bill, as drafted, will permit the development of a workable regulation.

We believe that such a study may be useful in determining an equitable formula and would recommend that the report by the Secretary should be expedited. The bill allows two years for this study which, we suspect, is a much longer time than is actually necessary. We, therefore, suggest that the existing formula be allowed to remain in place until a final determination can be made, based on the Secretary's findings.

S. 2315 would reduce the Federal share payable for the rural secondary and urban programs from 75 percent to 50 percent. There are two simple ways to reduce the Federal involvement in these programs. One is to reduce the level of funding. The othere is to reduce the Federal share payable. S. 2315 would do both, which results in a very severe slash in these two programs. Of the two methods, we prefer the reduction in the Federal share payable.

The proposed block grant approach for the rural and urban programs has the effect of eliminating the safer off-systems roads program. Such roads would be eligible for funding through the new rural and urban programs. The appropriations committees have been most reluctant to make apportionments for safer off-systems roads in the past. Therefore, the consolidation is potentially beneficial for the off-systems program, which ARTBA has consistently supported. We therefore support the block grant approach.

Prohibition of Use of Convict Labor

In its consideration of S. 2315, ARTBA urges the Subcommittee to include clarifying language to reinforce the existing prohibition of the use of convict labor in Federal-aid highway construction. The prohibition, which is found in Section 114(b) of Title 23, has been interpreted to allow the use of prison-made materials, such as highway signs and other traffic control devices. The use of such materials has caused considerable hardship to the free enterprise system and companies engaged in the manufacture, fabrication and supply of traffic control devices. We support the original intent of the statute that the Federal-aid highway program should utilize private enterprise to the fullest extent feasible.

Completed Contract Method

We would like to take this opportunity to call your attention to a proposed change in the tax law which would prevent most highway contractors from using the completed contract method of accounting to determine tax liability. The great majority of highway contractors are small business firms, who depend on the cash flow from progress payments to maintain their operations. In many cases, very little profit, if any, is realized until final payment is made, after the completion of the contract. It is only at this point that the contractor can pay his corporate income tax without suffering a severe and inequitable hardship. ARTBA therefore strongly opposes any change in the completed contract method of accounting.

New Jobs

The Department of Transportation estimates that the implementation of the expanded highway program, as suggested in Secretary Lewis' initiative, would result in 160,000 new jobs. Approximately 64,000 of these jobs would be directly in the construction field, where double-digit unemployment has been a fact of life for the past several years. We see this as an important stimulus to long-range economic recovery and therefore strongly support the suggested five-cent increase in highway user fees at this time.

In conclusion, Mr. Chairman, we believe that this is, on balance, an excellent bill which embodies several needed improvements in the highway statutes. It's principal weakness, we must emphasize, is the lack of adequate authorization levels.

In summary, ARTBA strongly recommends the levels of funding as indicated in our testimony and included in the table that follows. The attached Federal Highway Administration's chart entitled "The Problem: Inadequate User Fees" clearly supports this position.

We appreciate this opportunity to express the views of the Ameircan Road & Transportation Builders Association and are prepared to answer any questions the Committee may have at this time.

SUPPORTING DATA REGARDING BRIDGE NEEDS AND TRAFFIC FATALITIES

BRIDGE INVENTORY

Four out of ten of the nation's bridges need major repair.

FEDERAL-AID SYSTEMS	Number	%
Safe	194,956	76.0
Structurally Deficient	23,689	9.2
Functionally Obsolete	37,860	14.8
TOTAL	256,505	100.0%

NON-FEDERAL-AID SYSTEMS (Inventory 86% complete)		
Safe	117,181	43.7
Structurally Deficient	83,064	30.9
Functionally Obsolete	68,126	25.4
TOTAL	268,371	100.0%

BRIDGE REPLACEMENT AND REHABILITATION COSTS	
Federal-aid Bridges	$20.6 billion
Non-federal-aid Bridges	$20.5 billion
TOTAL	$41.1 billion

A Structurally Deficient bridge is closed or restricted to all but light vehicles because of deteriorated components, such as beams, decks, piers, or abutments.

A Functionally Obsolete bridge is one with deck width, vertical clearance or approach roadway alignment that is not safe for vehicles using it.

Source: Federal Highway Administration

1

TRAFFIC DEATHS AND DEATH RATES

1965-1980

After more than a decade of steady decline, the traffic fatality rate has increased for the fourth consecutive year.

	Deaths	Death Rates Per 100 Million Vehicle Miles of Travel
1965	49,163	5.54
1966	53,041	5.70
1967	52,924	5.50
1968	54,862	5.40
1969	55,791	5.21
1970	54,633	4.88
1971	54,381	4.57
1972	56,278	4.43
1973	55,511	4.24
1974	46,402	3.59
1975	45,853	3.45
1976	46,700	3.31
1977	49,500	3.35
1978	51,500	3.39
1979	51,900	3.40
1980	52,600	3.48

Source: National Safety Council

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Tables courtesy of Highway Users Federation

Proposed Fiscal Year 1983 Highway Authorizations
(in billions of dollars)

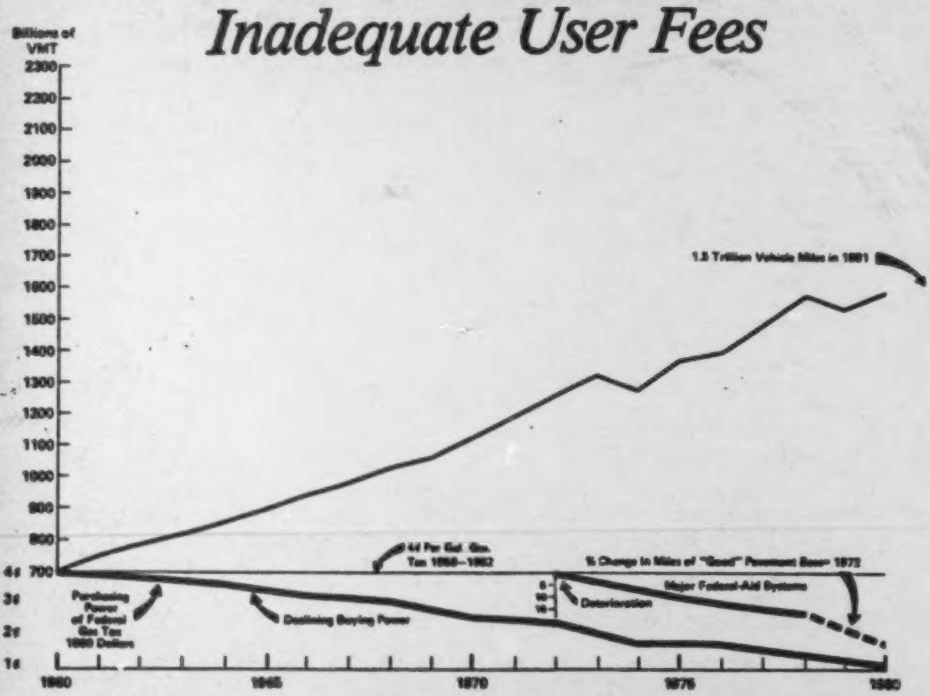
	Federal-aid 1981 Highway Act for FY 1982	FY 1983 ARTBA Recommendations
Interstate Construction	$3.100	$6.000
Interstate (4R)	.800	1.200
Primary	1.500	2.200
Secondary	.400	.600
Urban	.800	.800
Bridges	.900	1.500
Hazard Elimination	.200)	
Rail-highway Crossings	.190)	
Safety Construction	)	.600
Total, major programs	$7.890	$12.900

FATALITIES AT PUBLIC HIGHWAY-RAILROAD CROSSINGS, 1967-1979

	Fatalities	Train Miles (thousands)	Highway Vehicle Miles (millions)
1967	1,520	570,186	966,005
1968	1,448	551,868	1,019,726
1969	1,381	540,474	1,066,108
1970	1,362	519,866	1,114,096
1971	1,267	499,026	1,183,524
1972	1,190	511,399	1,264,614
1973	1,077	538,757	1,316,207
1974	1,128	534,040	1,262,790
1975	788	468,321	1,330,074
1976	978	491,058	1,409,103
1977	846	493,891	1,466,000
1978	926	497,134	1,548,231
1979	727	499,514	1,529,133

Sources: Fatalities, Federal Railroad Administration.
Train miles, American Association of Railroads. Highway vehicle miles, Federal Highway Administration.

The Problem: Inadequate User Fees



The above chart illustrates the combined effects of increasing travel and inflation on the condition of the Nation's highway system. While travel demand has grown from 700 billion Vehicle Miles of Travel (VMT) in 1960 to over 1.5 *trillion* VMT in 1981, the purchasing power of the Federal gas tax has declined from 4 cents in 1960 to less than 1 cent during the same period. As a result, the percentage of *major* Federal-aid highway mileage considered to be in good condition has declined by 39 percent. The deterioration of our major highways will increase considerably the cost of operating a vehicle. Source: Federal Highway Administration.

Chairman JAMES A. CAYWOOD
Senior Vice Chairman JOSEPH R. PERINI
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Treasurer EUGENE M. JOHNSON
President and Secretary DANIEL J. HANSON, SR.

ARTBA
American Road & Transportation Builders Association

May 6, 1982

MAY 7 1982

Honorable Steve Symms
Chairman
Subcommittee on Transportation
United States Senate
Washington, D.C. 20510

Dear Steve:

Thank you for sending us the several additional questions supplementing the hearing appearance by ARTBA on April 21, 1982. We appreciated the opportunity to appear at your hearing on the Federal-aid Highway Act of 1982 and followed your mark-up last week with great interest.

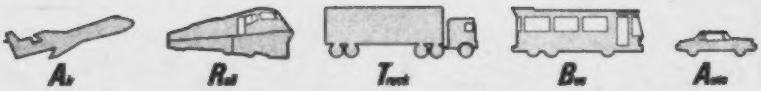
We look forward to the passage of meaningful highway legislation later this year. ARTBA will continue to urge a higher level of funding for the highway program and strongly endorse Secretary of Transportation Drew Lewis' initiative to increase the highway user fee at least a nickel. We thoroughly agree with you that this amount is a bare bones minimum and should be much larger in future years.

In closing, thank you again for the courtesies extended to Mr. Caywood and myself during your hearings.

Best personal regards,

Dan Hanson
Daniel J. Hanson, Sr.
President

Enclosure



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QUESTIONS BY SENATOR SYMMS

1. S. 2315 directs the Secretary to develop a selection process for the discretionary bridge program which includes a formula based on such criteria as the sufficiency rating, average daily traffic, truck traffic, defense highway system status, and a state's unobligated balance of bridge funds. Are there other factors that are good indicators of bridge deterioration which you believe should be included in the formula?

The factors listed appear to be adequate. The formula should be a relatively simple one, and five factors, the number listed above, is close to the practicable maximum. Presumably the Secretary, in the course of developing a selection process, will consider other factors. For example, the frequency of accidents on a particular bridge might be a measure of its functional obsolescence. The legislation should give the Secretary the discretion to consider factors other than those provided by statute.

2. What kinds of Federal safety standards should continue to apply under the proposed consolidation Highway Safety Improvement Program? Should any of the recommended standards in the Manual on Uniform Traffic Control Devices be statutorily required?

We see no reason why the consolidation of safety improvement programs should carry with it any relaxation of existing safety standards. The intent is to make funding more flexible, not to dilute program effectiveness. Most safety standards, such as those included in the Manual on Uniform Traffic Control Devices, are best implemented through regulatory action and should not be written into statutes.

QUESTIONS BY SENATOR RANDOLPH

1. How much additional revenue is needed to maintain a sufficient program level for our Federal-Aid Highway Program?

The initiative proposed by Transportation Secretary Drew Lewis would increase Federal revenues by approximately $5.5 billion in Fiscal Year 1983, of which about $4.5 billion would go to the Federal-Aid Highway Program. Such an increase would provide a stable program base. It would not, however, reduce the requirement for very substantial increases at the state level. Additional revenue requirements vary from state to state. In general, increases in the range of 50 percent to 100 percent are needed.

2. Do you believe the deadlines imposed on the Interstate construction program by the 1978 Surface Transportation Assistance Act can be met?

Yes. States have been working hard to meet the September 30, 1983, deadline for the completion of final environmental impact statements. Extensions may be necessary in a few cases where progress has been delayed by legal actions, but these cases should be exceptional. Final construction contracts probably could be let by the September 30, 1986, deadline if sufficient Federal funding is available.

Highway Users Federation
FOR SAFETY AND MOBILITY

DETAILED COMMENTS
ACCOMPANYING
STATEMENT OF STANLEY W. GUSTAFSON
PRESIDENT, DANA CORPORATION
ON BEHALF OF THE
HIGHWAY USERS FEDERATION
BEFORE THE
TRANSPORTATION SUBCOMMITTEE, COMMITTEE ON ENVIRONMENT & PUBLIC WORKS
UNITED STATES SENATE
APRIL 21, 1982

PROGRAM OBJECTIVES AND FUNDING LEVELS

A long-term federal highway program must provide adequate funds to reverse highway deterioration and improve mobility and safety on all Federal-aid systems. The funding proposed in S. 2315 does not do that.

The proposed authorizations presented in Table 1 of this supplement are minimums to meet overall national goals. These proposed funding levels are adjusted for inflation using factors from the Administration's 1983 budget. Following is a discussion of specific programs.

Interstate Construction

Enough money to complete the Interstate System by 1990 should be made available. Annual authorizations of $4.5 billion, factored for inflation, will finish the job on schedule. Interstate construction should continue being funded at a 90/10 match ratio.

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Interstate Resurfacing, Restoration, Rehabilitation and Reconstruction (4-R)

Approximately $2 billion a year is needed for basic rehabilitation of Interstate highways. In addition, the redefined Interstate Cost Estimate transferred about $24 billion in upgrading needs to this program. By 1986, $1.2 billion of the total $3.5 billion authorization would be available for upgrading.

Interstate 4-R should continue to be funded at a 90/10 match ratio.

Federal-aid Primary

The Federal-aid Primary System, which carries 30 percent of U.S. traffic, is a federal concern second only to Interstate highways. The Federation proposes that Primary roads be funded at a basic annual level of $2.3 billion (adjusted for inflation) for FY 1983-1986.

In addition, the base amount should be increased five percent annually until total funding meets the system's needs. The federal-state matching ratio should remain at 75/25.

Bridge Replacement and Rehabilitation

Bridge needs on the federal Primary, Secondary and Urban Systems (routes that carry 60 percent of U.S. travel) should be given priority. We urge the Committee to reconsider the provision in current law, and S. 2315, requiring that at least 15 percent of bridge funds be spent on bridge needs off the Federal-aid systems.

We urge the Committee to establish a 1990 goal of full rehabilitation of all bridges on non-Interstate Federal-aid systems. Our proposed funding level will accomplish this. Only after these bridges have been repaired would it be appropriate for Congress to consider federal funding of local bridge improvements.

We do not propose any change in the current federal-state match ratio of 80/20.

Federal-aid Secondary and Federal-aid Urban

The current Federal-aid Urban and Federal-aid Secondary Systems are important to the nation and should be retained. Collectively, they carry almost a third of U.S. traffic, and are necessary linkages to the Primary System.

Expanding these systems to include all roads and streets not on the Federal-aid Primary and Interstate Systems -- as proposed in S. 2315 -- would seriously dilute the effectiveness of federal funding.

However, the federal interest in these two systems is not as great as for Primary roads. Consequently, we support the Committee's proposal to reduce the federal-state match ratio to 50/50.

The authorizations we propose for FY 1983-1986 will support a total program equal to the total 1982 program, adjusted for inflation.

Highway Safety Construction

The Federation supports consolidating major roadway safety programs into a single funding category, limited to projects on non-Interstate, Federal-aid systems. This would give the states more flexibility to determine highway safety construction projects.

Major safety benefits have been, and can continue to be, attained by improving hazardous locations under this program. Congress should, however, oversee its effectiveness.

Our proposed authorizations are based on funding levels provided by the Hazard Elimination and Railroad Grade Crossing Improvement programs on Federal-aid systems. No change should be made in the current 75/25 match ratio.

However, we urge that funding for two highway-related Section 402 activities be retained as a separate category. In a recent review of the 402 Highway Safety Program, (a) identification and surveillance of high accident locations, and (b) operational improvements, were found to be important, cost-effective activities. Categorical funding at the current $15 million level will keep them an integral part of each state's highway safety program.

Other Highway and Safety Programs

For convenience, in this testimony, proposed authorizations for several smaller programs are combined under "Other Highway and Safety" in Table 1. (Some of these are not under the jurisdiction of this Committee.)

The programs, and proposed authorizations for FY 1983, are:

a.	Forest Highways	0.033 Billion
b.	Public Lands Highways	0.016 "
c.	Emergency Relief	0.150 "
d.	Highway Traffic Safety	0.175 "

The Forest and Public Lands Highways are funded at 1982 authorization levels.

The proposed funding for Highway Traffic Safety provides:

- $100 million for the FHWA and NHTSA State and Community Grant Program (402)
- $25 million for highway traffic safety research
- $50 million for enforcement of the 55 mph national speed limit.

HIGHWAY TRUST FUND

We support the Highway Trust Fund concept. However, the Trust Fund would be better able to serve its proper purpose if it were outside the unified federal budget. The Trust Fund should be extended permanently, and the income spent for proper highway purposes.

The Federation supports an expanded highway program, funded by phased-in user charge increases, while the Trust Fund balance is drawn down. A cash flow for the Trust Fund for the draw-down period is given in Table 2. As shown, the Federation proposes that increased user charges be phased-in in $2 billion increments in 1984, 1985 and 1986.

COMMENTS TO SPECIFIC SECTIONS OF S. 2315

Section 108 -- Interstate Substitution Authority

The Federation does not support broadening state authority to withdraw Interstate segments, and replace them with transportation facilities unrelated to the traffic which would have been served by the withdrawn Interstate. The intention of Interstate programs is to serve documented traffic corridor needs, and the program should be related to those needs.

Section 109 -- Primary Program

The Federation supports eliminating the funding subcategory for Priority Primary routes. This will allow more state flexibility to address priority needs on the entire system.

Section 110 -- Urban Program

Federal participation in highway transportation rests on a highway system hierarchy, classified according to function and national importance. We support continuing federal aid to major urban routes.

Provisions of this legislation to broaden the urban program to every urban public thoroughfare are not sound public policy.

This would inevitably result in dispersing funds to highways of only local importance, and transportation improvements which do not benefit highway users, who pay the bills.

We urge the Committee to reconsider these proposals, and retain the time-tested basis of a designated mileage, functionally classified urban system as a prerequisite for federal participation.

Section 111 - Rural Program

Many comments on the preceding section are germane to the broadened language in this section. The needs of the present rural federal-aid secondary system are very great. Until those needs have been addressed, it is inappropriate to disperse limited federal funds over millions of miles of rural public roads that would become eligible for federal-aid under S. 2315.

Section 112 -- Transferability

It is appropriate for Congress to limit expenditures on highway systems by authorizing varying amounts of funds according to national priorities. Allowing states to transfer 100 percent of one system's funds to another destroys the essence of original Congressional intent.

The present provision of 50 percent transferability between programs is more than adequate for states to meet their own needs.

Section 118 -- Public Transportation, and

Section 119 -- Fringe and Corridor Parking

The Federation supports the Committee's proposals to fund preferential lanes for high occupancy vehicles, and fringe and corridor parking for car pools. Ride sharing is an effective way to conserve energy and improve air quality. Preferential lanes and fringe parking lots will help foster more car and vanpools.

Section 121 -- Bicycle Transportation Program

The Federation does not support amendments which would expand the use of Federal-aid highway improvement funds for bicycle purposes. The limitations contained in current Section 217 should be retained.

Section 124 -- Certification Acceptance

Certification acceptance has reduced red tape and expedited the Federal-aid Secondary Program. We support the Committee's proposal to permit certification acceptance on other than Secondary Programs.

Section 126 -- Maintenance

The Federation supports this section's revised language, because it will help the Transportation Secretary ensure proper maintenance of federally aided roads.

Section 130 -- Interagency Agreements

This section addresses the problem of reducing delays and confusion associated with multi-agency approval of highway projects. The new language in Section 130 should help speed up this process. We urge Congress to continue its overview of this major problem, and propose further streamlining as necessary.

Manpower

This draft does not address one major concern of the highway community. Although material resources are crucial to the highway program, human resources are equally vital.

Specifically, we are concerned that the number and caliber of federal, state and local transportation officials -- and their level of knowledge -- may not be keeping pace with changing, and growing demands. Certainly, our knowledge regarding the design and operation of safe and efficient highway systems is improving. These skills may not be assimilated at an adequate pace.

We urge your Committee to include a study of the long-range manpower needs of America's highway programs.

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Table 1
PROPOSED AUTHORIZATIONS

Program	1982	1983	1984	1985	1986
			(Billion $)		
Interstate Completion*	3.1	4.5	4.8	5.0	5.4
Interstate Rehabilitation*	0.8	2.0	2.5	3.0	3.5
Primary System	1.5	2.3	2.5	2.8	3.1
Secondary System	0.4	0.4	0.4	0.5	0.5
Urban System	0.8	0.4	0.4	0.5	0.5
Bridge Rehabilitation	0.9	2.5	2.7	2.8	2.9
Safety Construction	0.4	0.3	0.3	0.3	0.4
Other Highway & Safety	0.4	0.4	0.4	0.4	0.4
	8.3	12.8	14.0	15.3	16.8

* Amounts in table are next year's authorizations which are available one year early.

Table 2
HIGHWAY TRUST FUND CASH FLOW

	1982	1983	1984	1985	1986
			(Billion $)		
Balance - Start	9.2	8.5	7.3	5.9	4.6
Current User Charges	6.2[1/]	6.5	6.5	6.5	6.5
New User Charges	-	-	2.0	4.0	6.0
Interest	1.8[1/]	1.0	0.7	0.6	0.6
Outlays[2/]	(8.7)	(8.7)	(10.6)	(13.4)	(14.6)
Balance - End	8.5	7.3	5.9	4.6	3.1

1/ Estimate based on income thru February 1982.

2/ Assumes the obligation limit for each fiscal year is not less than the authorized level of funding.

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RESPONSES FROM THE HIGHWAY USERS FEDERATION

QUESTIONS BY SENATOR SYMMS

1. S. 2315 directs the Secretary to develop a selection process for the discretionary bridge program which includes a formula based on such criteria as the sufficiency rating, average daily traffic, truck traffic, defense highway system status, and a state's unobligated balance of bridge funds. Are there other factors that are good indicators of bridge deterioration which you believe should be included in the formula?

   The factors listed appear to be adequate. The formula should be a relatively simple one, and five factors, the number listed above, is close to the practicable maximum. Presumably the Secretary, in the course of developing a selection process, will consider other factors. For example, the frequency of accidents on a particular bridge might be a measure of its functional obsolescence. The legislation should give the Secretary the discretion to consider factors other than those provided by statute.

2. What kinds of Federal safety standards should continue to apply under the proposed consolidation Highway Safety Improvement Program? Should any of the recommended standards in the Manual on Uniform Traffic Control Devices be statutorily required?

   We see no reason why the consolidation of safety improvement programs should carry with it any relaxation of existing safety standards. The intent is to make funding more flexible, not to dilute program effectiveness. Most safety standards, such as those included in the Manual on Uniform Traffic Control Devices, are best implemented through regulatory action and should not be written into statutes.

QUESTIONS BY SENATOR RANDOLPH

1. How much additional revenue is needed to maintain a sufficient program level for our Federal-Aid Highway Program?

The initiative proposed by Transportation Secretary Drew Lewis would increase Federal revenues by approximately $5.5 billion in Fiscal Year 1983, of which about $4.5 billion would go to the Federal-Aid Highway Program. Such an increase would provide a stable program base. It would not, however, reduce the requirement for very substantial increases at the state level. Additional revenue requirements vary from state to state. In general, increases in the range of 50 percent to 100 percent are needed.

2. Do you believe the deadlines imposed on the Interstate construction program by the 1978 Surface Transportation Assistance Act can be met?

Yes. States have been working hard to meet the September 30, 1983, deadline for the completion of final environmental impact statements. Extensions may be necessary in a few cases where progress has been delayed by legal actions, but these cases should be exceptional. Final construction contracts probably could be let by the September 30, 1986, deadline if sufficient Federal funding is available.

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STATEMENT OF

THE HONORABLE BOBBY JOE RAPER

MAYOR OF IRVING, TEXAS

on behalf of

THE U.S. CONFERENCE OF MAYORS

on

REAUTHORIZATION OF FEDERAL HIGHWAY PROGRAMS

before the

SUBCOMMITTEE ON TRANSPORTATION
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE

April 21, 1982

Mr. Chairman, Senator Bentsen, and members of the Subcommittee, I am Bobby Joe Raper, Mayor of the City of Irving, Texas. I am here this morning on behalf of the U.S. Conference of Mayors, which is composed of the nation's principal cities. Within the Conference, I serve as a member of the Transportation and Communications Committee.

The Conference appreciates the leadership this Subcommittee has exhibited on behalf of cities over the years, and we are pleased to share our views with you today.

The Urban Infrastructure

Mr. Chairman, the urban infrastructure is at the top of every Mayor's agenda in cities of all sizes and regions across the country. Our roads, streets, highways, bridges, and public transportation systems, are important not only because they form the urban transportation system, but because they also provide the basis for economic growth and development. Cities on their own are raising taxes and adjusting priorities to the extent that we can to deal directly with the infrastructure problem. But in order to effectively lay the basis for job development and business expansion and retention, the infrastructure problem must be viewed as a local-state-federal partnership.

S.2315 makes important strides in recognizing both the infrastructure issue and the necessity for a three-way partnership. Cities find the expansion of the bridge program, the retention of the urban program, the increases in the 4R program, the movement toward completion of Interstate Construction, and funding for Interstate Substitutions, to be examples of this Committee's sensitive understanding of the problems which face cities today.

Highways, Cities, and Resources

Mr. Chairman, in your remarks introducing S.2315 on the floor of the Senate, you noted that you were "seriously concerned about the inadequate levels of funding for the highway program over the past several years, and earnestly believe that an increase in highway user fees is essential to the proper maintenance of our transportation infrastructure, and to the timely and orderly completion of the Interstate System".

The Conference of Mayors gives full support to your statement. That is why we have been strong and vigorous supporters of Secretary of Transportation Lewis' plan for a five cent increase in highway user fees. We have worked closely with a wide coalition of organizations on behalf of the Secretary's initiative. We are hopeful that the Administration will soon forward the Secretary's proposal to the Congress, and that it will be enacted. Naturally, should the Congress favorably receive the user fee increase, the authorization levels of S.2315 could then be significantly enhanced across the board with very positive results for the urban infrastructure.

The Federal Aid Urban Program

Mr. Chairman, the Federal Aid Urban System (FAUS) is one of the most important of all urban programs to the nation's cities. It is targetted to improving the status, condition, and performance of roads in urbanized areas. The transportation network of my own city, region, and state have greatly benefited from FAUS which was a product of this Committee's efforts several years ago. There is no substitution for FAUS at the local level.

The Administration has proposed the elimination of FAUS.

S.2315 proposes its retention. The Conference of Mayors is grateful to the Committee for its support of this vital program. Indeed, S.2315 would greatly improve FAUS by transforming it from a system into a program. Rather than a prescribed and inflexible set of roads within an urbanized area, any worthy project in an urbanized area would be eligible regardless of location. This is federalism at its best, with the federal government assisting in the provision of resources to meet a national problem, but permitting creative implementation at the local and state level.

Mr. Chairman, Mayors are concerned, though, regarding the reduction in the federal share of the urban program from its current level of 75 percent down to 50 percent. While we recognize that the urban program projects are regarded as a lower priority, the Conference feels that the Committee can adequately make this point through the authorization level which is held constant at $700 million through 1985, and then lowered to $600 million in 1986. Dramatically raising the matching share which local governments will have to come up with for the same grant will have the net effect of pulling local resources off other needed work in order to meet the stiff demands of an urban program grant. While the Conference appreciates the concept of "grandfathering" existing projects, the 50 percent matching share for new projects will cause considerable difficulty at the local level. As deliberations continue, we urge your reconsideration. If the Committee is determined to move in the direction of a lower than 75 percent share, we hope you will look at the possibility of doing it in a phased manner.

Interstate Substitution

Mr. Chairman, the Interstate substitution provisions of the federal highway program are among the most important provisions for cities ever enacted by this Committee. It has enabled some 25 cities across the country to have the flexibility to make transportation decisions for their own communities without suffering the penality of giving up access to federal resources for transportation improvement. In those communities, Interstate segments worth approximately $10 billion have already been withdrawn and funds are being obligated to them at a steady rate on an annual basis through the appropriation process, for highway and transit projects. Approximately 20 cities are now considering withdrawal.

S.2315 contains an important initiative by permitting those substitution projects that are highway projects to be paid for from the Highway Trust Fund. This is an important proposal which will help to facilitate a quicker closeout of transfer projects.

One of the foundations of the Interstate Transfer program since its inception is that it has been based on equity -- no loss of funds if a substitution occurred. However, by proposing, as S.2315 does, that there be no adjustment for inflation or cost increases on withdrawn segments after 1983, the Committee would be placing local officials in the position of selecting or having selected an option which meant less funding for their community. If a city stayed with Interstate construction, that segment would receive a biannual cost increase. If it substituted, the funds would not be adjusted after 1983. Once balance is removed from the value of segments, the ability to make long range transportation choices based solely on merit will be removed. We urge the reconsideration of this provision.

Towards Highway Program Reauthorization

Mr. Chairman, S.2315 represents a solid start towards much needed reauthorization of federal highway programs. We look forward to working with you towards securing additional revenues for all highway-related programs, and for effective highway provisions for the nation's cities.

The Conference would be pleased to take any questions the Committee might have.

May 3, 1982

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The Honorable Steven D. Symms, Chairman
Subcommittee on Transportation
Committee on Environment and
Public Works
United States Senate
4204 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Symms:

The U.S. Conference of Mayors appreciates the opportunity to answer additional questions for the Transportation Subcommittee's April 21, 1982 hearing record.

Urban Program. The Conference of Mayors views very favorably the Subcommittee proposal to eliminate the "urban system" designation in favor of an "urban program" designation. Permitting the use of urban highway funds within any project in an urbanized area will mean much greater ability to respond to local priorities in the surface transportation area, than is the case with arbitrary classifications. Urban infrastructure problems, particularly those relating to transportation, are among the most difficult currently being faced by Mayors. The Subcommittee proposals would greatly assist the nation's cities.

However, this excellent proposal would be negated if the federal matching share for the urban program was dropped to 50 percent. A federal share of 50 percent would not save the federal government any money. It merely would cause local funds to be drawn from other transportation projects in order to meet a matching requirement which would be doubled. This would cause considerable difficulty around the country.

Interstate Transfer. It will take many years to complete all Interstate substitution projects -- those which have already been traded in and those which will be before the deadline. So long as the Congress clearly states to those cities that funds for substitute projects are entitlements and that

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those entitlements will be fully cost adjusted, cities are satisfied to receive their substitute funds in annual increments as their own projects progress, fully understanding that it will take several years to reach their complete allotment. The Subcommittee proposal to end substitution cost adjustments after 1983 would tamper with the concept of equity, the basic foundation of the Interstate Transfer Program since its inception.

Certification Acceptance Procedures. The Conference finds the certification acceptance procedures of the Subcommittee proposal to be useful and would greatly streamline the overall highway construction process.

EDA/CDBG. Only a very small percentage of monies from Community Development Block Grant and the Economic Development Administration have been used for highway projects. Particularly in the case of CDBG, there are great local pressures on those funds for a wide variety of projects relating to business and job development, urban infrastructure and community facilities. Through various proposals, the Administration is seeking the elimination of EDA and is requesting additional responsibilities for CDBG, with no increase in funds. That is why a specific, targeted program such as the Urban Program is so important to city officials.

Sincerely,

John Gunther

John J. Gunther
Executive Director

JJG/pl

Statement by:

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STATEMENT OF

NANCY CRABB
COUNCILWOMAN, JACKSONVILLE/DUVAL COUNTY, FLORIDA

AND

VICE CHAIR PUBLIC TRANSPORTATION SUBCOMMITTEE
THE NATIONAL ASSOCIATION OF COUNTIES TRANSPORTATION STEERING COMMITTEE

ON BEHALF OF

THE NATIONAL ASSOCIATION OF COUNTIES

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

ON

THE FEDERAL AID HIGHWAY ACT OF 1982

APRIL 21, 1982

WASHINGTON, D. C.

STATEMENT OF THE HONORABLE NANCY CRABB, COUNCILWOMAN, JACKSONVILLE/DUVAL COUNTY, FLORIDA AND VICE CHAIR OF THE PUBLIC TRANSPORTATION SUBCOMMITTEE, NATIONAL ASSOCIATION OF COUNTIES TRANSPORTATION STEERING COMMITTEE; ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES BEFORE THE SENATE SUBCOMMITTEE ON TRANSPORTATION, COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS ON THE FEDERAL AID HIGHWAY IMPROVEMENT ACT OF 1982.

GOOD MORNING, MR. CHAIRMAN, I AM NANCY CRABB, COUNCILWOMAN, JACKSONVILLE/DUVAL COUNTY, FLORIDA, AND VICE CHAIR OF THE NATIONAL ASSOCIATION OF COUNTIES TRANSPORTATION STEERING COMMITTEE'S PUBLIC TRANSPORTATION SUBCOMMITTEE. TODAY I REPRESENT THE VIEWS OF THE NATIONAL ASSOCIATION OF COUNTIES* REGARDING THE SUBCOMMITTEE'S BILL, S. 2315, THE FEDERAL AID HIGHWAY ACT OF 1982. IN MY TESTIMONY I WILL ALSO COMMENT ON PROVISIONS IN DRAFT HIGHWAY LEGISLATION DEVELOPED BY THE U.S. DEPARTMENT OF TRANSPORTATION.

THOUGH MOST OF MY REMARKS WILL FOCUS ON THE SIX AREAS YOU HIGHLIGHTED IN YOUR INVITATION TO TESTIFY, MR. CHAIRMAN, I WOULD LIKE TO COMMENT BRIEFLY ON THE INTERSTATE COMPLETION PROGRAM.

INTERSTATE COMPLETION

LAST YEAR, MR. CHAIRMAN, THE SUBCOMMITTEE DISPLAYED A LEVEL OF FISCAL RESTRAINT REGARDING THIS PROGRAM SELDOM SEEN IN CONGRESS. WE COMPLIMENTED THE SUBCOMMITTEE FOR THIS AND HOPE THAT IT WILL BE OPEN TO A MORE RIGOROUS LOOK AT THIS PROGRAM IF CURRENT BUDGET CONSTRAINTS ARE NOT REMOVED BY AN INCREASE IN HIGHWAY USER FEES THIS YEAR.

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*THE NATIONAL ASSOCIATION OF COUNTIES IS THE ONLY NATIONAL ORGANIZATION REPRESENTING COUNTY GOVERNMENT IN THE UNITED STATES. THROUGH ITS MEMBERSHIP, URBAN, SUBURBAN AND RURAL COUNTIES JOIN TOGETHER TO BUILD EFFECTIVE, RESPONSIVE COUNTY GOVERNMENTS. THE GOALS OF THE ORGANIZATION ARE: TO IMPROVE COUNTY GOVERNMENT; TO SERVE AS THE NATIONAL SPOKESMAN FOR COUNTY GOVERNMENTS; TO ACT AS A LIAISON BETWEEN THE NATION'S COUNTIES AND OTHER LEVELS OF GOVERNMENT; AND TO ACHIEVE PUBLIC UNDERSTANDING OF THE ROLE OF COUNTIES IN THE FEDERAL SYSTEM.

NACO RECOGNIZES THAT THE INTERSTATE COMPLETION PROGRAM IN S. 2315 REPRESENTS A SIGNIFICANT DECREASE IN THE PREVIOUS INTERSTATE COST ESTIMATE BUT BUDGETARY NEEDS MAY REQUIRE AN EVEN MORE RIGOROUS LOOK AT THE NATURE OF "ESSENTIAL GAPS." NACO, THEREFORE, REAFFIRMS ITS COMMITMENT TO THE MOST COST EFFECTIVE APPROACH TO INTERSTATE COMPLETION.

WE ALSO REQUEST THE RIGHT, MR. CHAIRMAN, TO FORWARD TO THE COMMITTEE FOR ITS CONSIDERATION AND INSERTION ON THE RECORD AN UPCOMING PUBLICATION OF THE CONGRESSIONAL BUDGET OFFICE OUTLINING ALTERNATIVE WAYS OF REDEFINING THE INTERSTATE COMPLETION PROGRAM. THESE SHOULD BE HELPFUL IN THE EVENT ADDITIONAL REVENUES ARE NOT APPROVED BY CONGRESS.

INTERSTATE RESURFACING, RESTORATION, REHABILITATION, AND RECONSTRUCTION (4R)

WE AGAIN COMMEND THE COMMITTEE FOR ITS EXPANSION OF THE INTERSTATE 3-R PROGRAM TO INCLUDE RECONSTRUCTION AND ITS INCREASE IN THE FEDERAL SHARE FROM 75% TO 90%. NACO HAS ALWAYS SUPPORTED A GREATER FEDERAL EMPHASIS ON THIS MUCH NEEDED PROGRAM. GIVEN THE DETERIORATION OF THE INTERSTATE SYSTEM, WE REGARD THIS PROGRAM AS VITAL TO PRESERVING OUR NATION'S MOST IMPORTANT HIGHWAYS. WE, THEREFORE, FULLY ENDORSE THE SUBCOMMITTEE'S INCREASED SUPPORT FOR INTERSTATE 4R.

REGARDING THE FACTORS TO BE INCLUDED IN THE APPORTIONMENT FORMULA, NACO ENDORSES THE SUBCOMMITTEE PROVISION REQUIRING A STUDY OF A WIDE RANGE OF FACTORS SUITABLE FOR INCLUSION IN THE FORMULA. HOWEVER, WE JOIN THE AMERICAN ASSOCIATION OF STATE HIGHWAY AND TRANSPORTATION OFFICIALS (A.A.S.H.T.O.) IN QUESTIONING THE NEED FOR 2 YEARS TO COMPLETE THE STUDY.

THE APPROPRIATE FEDERAL ROLE IN THE FEDERAL AID SECONDARY AND URBAN SYSTEMS

AS WE STATED IN LAST YEAR'S TESTIMONY BEFORE THE SUBCOMMITTEE, NACO CONTINUES TO SUPPORT OF FEDERAL ASSISTANCE FOR THE SECONDARY AND URBAN SYSTEMS. WHILE WE ACKNOWLEDGE THE PRIMARY FEDERAL INTEREST IN THE INTERSTATE, PRIMARY AND BRIDGE PROGRAMS, THE ECONOMIC HEALTH OF OUR NATION

ALSO DEPENDS ON A VIABLE NETWORK OF URBAN AND SECONDARY ROADS. WE AGAIN SUBMIT FOR THE RECORD, MR. CHAIRMAN, A COPY OF OUR TESTIMONY OF SEPTEMBER 9, 1981, WHICH DESCRIBES IN DETAIL THE IMPORTANCE OF THE FEDERAL AID SECONDARY IN ENHANCING OUR NATION'S ENERGY INDEPENDENCE, AGRICULTURAL PROSPERITY AND INTERNATIONAL BALANCE OF TRADE. THEREFORE, WE HEARTILY ENDORSE YOUR EFFORTS TO ASSURE CONTINUED FEDERAL SUPPORT FOR THESE ESSENTIAL RURAL AND URBAN HIGHWAYS AND COMMEND THE SUBCOMMITTEE FOR RETAINING THEM AS PART OF THE FEDERAL AID SYSTEM.

THE SUBCOMMITTEE'S DECREASE IN THE FEDERAL SHARE TO 50% FOR THE URBAN AND SECONDARY SYSTEMS IS NOT ACCEPTABLE TO MOST COUNTIES. SUCH A LARGE DECREASE WOULD CREATE A DISINCENTIVE TO STATE SUPPORT OF THESE HIGHWAYS. FURTHERMORE, LOCALITIES CAN NOT MAKE UP THE DIFFERENCE IN LOST FEDERAL ASSISTANCE IN MANY CASES, BECAUSE STATE LAWS PREVENT THEM FROM RAISING SUFFICIENT LOCAL REVENUES. MOST COUNTIES WILL THEN BE FORCED TO DEFER OR ELIMINATE NEEDED HIGHWAY PROJECTS OF THE SECONDARY AND URBAN SYSTEMS IF SUCH A DRASTIC DECREASE IN THE FEDERAL SHARE IS ADOPTED.

THE COMBINED EFFECT OF THE DECREASED FEDERAL SHARE AND 100% TRANSFERABILITY PROVIDED IN S. 2315 BETWEEN THE PRIMARY, SECONDARY AND URBAN SYSTEMS COULD BE DEVASTATING. OBLIGATIONS FOR SECONDARY AND URBAN PROGRAMS ARE ALREADY EXTREMELY LOW WITH A 75% FEDERAL SHARE AND ONLY 50% TRANSFERABILITY. THEY COULD AMOUNT TO LESS THAN A TRICKLE IF BOTH THESE PROVISIONS ARE ENACTED. THE ONLY WAY 100% TRANSFERABILITY WOULD BE ACCEPTABLE TO COUNTIES, WOULD BE IF SUCH TRANSFERS WERE SUBJECT TO CONSULTATION WITH AND CONCURRENCE BY AFFECTED LOCAL OFFICIALS.

WHILE NACO APPRECIATES THE SLIGHTLY INCREASED AUTHORIZATIONS PROVIDED IN S. 2315, THEY ARE STILL INADEQUATE TO DEAL WITH THE INCREASING DETERIORATION OF THE SECONDARY SYSTEM AND THE VASTLY INCREASED MILEAGE THE SUBCOMMITTEE'S FEDERAL AID RURAL PROGRAM WOULD ENCOMPASS. THE

UNPLEASANT FACTS ABOUT THE SECONDARY SYSTEM WE CALLED TO THE COMMITTEE'S ATTENTION LAST YEAR ARE STILL TRUE. THE DEPARTMENT OF TRANSPORTATION'S STATUS OF THE NATION'S HIGHWAYS REPORT REVEALED THAT 95% OF THE SECONDARY SYSTEM'S PAVEMENT COULD NEED REPLACEMENT BY 1990 AT A COST RANGING FROM $56 TO $59 BILLION. THIS COULD OCCUR EVEN BEFORE 1990 BECAUSE OF SUBSTANTIALLY INCREASED HEAVY TRUCK TRAFFIC ON SECONDARY ROADS. AN INCREASE IN THE NUMBERS OF TRUCKS USING FARM-TO-MARKET ROADS IS HIGHLY LIKELY GIVEN THE INCREASING NUMBERS OF RAILROAD ABANDONMENTS AND CUTS IN BOTH THE LOCAL RAIL ASSISTANCE AND CONRAIL PROGRAMS. AN INCREASE IN THE SIZE AND WEIGHT OF THESE TRUCKS IS ALSO A STRONG POSSIBILITY GIVEN THE LIKELIHOOD OF FEDERAL ENACTMENT OF INCREASED NATIONAL LIMITS ON TRUCK SIZE AND WEIGHT. THIS WILL FURTHER ESCALATE THE DAMAGE DONE BY TRUCKS ON SECONDARY AND URBAN ROADS WHICH WERE NEVER BUILT TO SUSTAIN SUCH PUNISHMENT.

AS WE PROMISED IN LAST YEAR'S TESTIMONY, MR. CHAIRMAN, NACO DID SURVEY COUNTIES ON WHETHER A DECREASED FEDERAL SHARE IN THE SECONDARY AND URBAN SYSTEMS WOULD BE ACCEPTABLE AND, IF SO, UNDER WHAT CONDITIONS. ALL COUNTIES AGREED THAT A DECREASED FEDERAL ROLE IN FINANCING THE SECONDARY AND URBAN SYSTEMS SHOULD BE ACCOMPANIED BY AN INCREASED DECISIONMAKING ROLE FOR LOCAL AND STATE OFFICIALS. AS YOU KNOW, MR. CHAIRMAN, IN LAST YEAR'S TESTIMONY WE DESCRIBED WAYS TO ENHANCE THE LOCAL DECISIONMAKING ROLE IN SELECTING THE PROJECTS WHICH WOULD BE FUNDED ON THE SECONDARY SYSTEM. WE CONTINUE TO SUPPORT SUCH AN APPROACH AND ASK THAT OUR TESTIMONY OF APRIL 1981 BE SUBMITTED FOR THE RECORD.

A 5% DECREASE IN THE FEDERAL SHARE TO 70% WAS ACCEPTABLE TO THE MAJORITY OF COUNTIES RESPONDING TO THE SURVEY. HOWEVER, SUCH A FUNDING DECREASE MUST BE ACCOMPANIED BY A SIGNIFICANT REDUCTION IN FEDERAL REGULATIONS AND STANDARDS WHICH RAISE PROJECT COSTS BETWEEN 20% TO 35%

BY COUNTY ESTIMATES. THIS NATURALLY BRINGS US TO THE IMPORTANT ISSUE OF CERTIFICATION ACCEPTANCE, MR. CHAIRMAN.

CERTIFICATION ACCEPTANCE

I WANT TO COMMEND THE SUBCOMMITTEE AGAIN FOR ITS EMPHASIS ON THE CERTIFICATION ACCEPTANCE PROCESS IN ITS BILL. THIS IS AN ISSUE OF GREAT IMPORTANCE TO COUNTIES BECAUSE OF ITS POTENTIAL FOR REDUCING RED TAPE AND PREVENTING COSTLY PROJECT DELAYS. THE LANGUAGE IN YOUR BILL PERMITTING A MORE FLEXIBLE APPROACH TO THE REQUIREMENT FOR A FINAL FEDERAL INSPECTION OF EACH PROJECT IS WELCOMED. THE EXPANSION OF THE PROCESS TO A WIDER RANGE OF PROJECTS IS ALSO STRONGLY SUPPORTED BY COUNTIES. WE ALSO ENDORSE YOUR SUPPORT FOR INTERAGENCY AGREEMENTS BETWEEN D.O.T. AND OTHER AGENCIES DESIGNED TO ELIMINATE DUPLICATIVE ENVIRONMENTAL REVIEWS AND REDUCE DELAYS IN APPROVING FEDERAL HIGHWAY PROJECTS. NACO URGES THE COMMITTEE TO GO EVEN FURTHER IN EXPANDING THE CERTIFICATION ACCEPTANCE PROCESS TO OTHER AREAS SUCH AS D.O.T. HAS PROPOSED IN ITS DRAFT HIGHWAY LEGISLATION. A GREATER RELIANCE ON ADEQUATE STATE LAWS TO IMPLEMENT ENVIRONMENTAL LAWS SUCH AS 4(F) PRESERVATION OF PARKLANDS AND HISTORIC PRESERVATION WOULD HAVE OUR FULLEST SUPPORT, MR. CHAIRMAN. WE URGE THE COMMITTEE TO CONSIDER THESE AS CANDIDATES FOR COVERAGE BY CERTIFICATION ACCEPTANCE PROCEDURES.

CATEGORY CONSOLIDATION

NACO REAFFIRMS ITS STRONG SUPPORT FOR THE SUBCOMMITTEE'S INCLUSION OF EXPANDED FEDERAL AID RURAL AND URBAN PROGRAMS IN ITS HIGHWAY REAUTHORIZATION LEGISLATION. WE DEFER TO OUR COLLEAGUES FROM THE NATIONAL LEAGUE OF CITIES AND THE U.S. CONFERENCE OF MAYORS FOR SPECIFIC COMMENTS ON THE FEDERAL AID URBAN PROGRAM BUT WE WOULD LIKE TO COMMENT ON THE

FEDERAL AID RURAL PROVISIONS IN THE SUBCOMMITTEE BILL. NACO ENDORSES THE COMMITTEE'S CHOICE OF PROGRAMS TO BE INCLUDED IN THE EXPANDED RURAL PROGRAM. THE CONSOLIDATION OF THE FEDERAL AID SECONDARY WITH ECONOMIC GROWTH CENTERS, GREAT RIVER ROAD, ACCESS TO LAKES, THE SAFER OFF SYSTEM AND BRIDGES ON FEDERAL DAMS WAS SUGGESTED BY NACO AS LOGICAL AND DESIRABLE. THESE HIGHWAY PROGRAMS IMPACT PRIMARILY RURAL AREAS AND PURSUE GOALS WHICH ARE BASICALLY COMPATIBLE WITH THE EXISTING SECONDARY SYSTEM. AN EXPANDED RURAL PROGRAM WILL ALSO PROVIDE STATE AND LOCAL GOVERNMENTS WITH GREATER FLEXIBILITY TO MEET A WIDER RANGE OF NEEDS.

WE QUESTIONED THE COMMITTEE PROPOSAL TO ALLOW THE USE OF RURAL HIGHWAY FUNDS FOR NONURBANIZED PUBLIC TRANSPORTATION BECAUSE THE AUTHORIZATION LEVELS WERE TOO LOW TO REALISTICALLY ACCOMMODATE THIS PROGRAM AND THE OTHERS INCLUDED IN THE CONSOLIDATION. WE ALSO FELT THAT A SEPARATE SMALL URBAN AND RURAL PUBLIC TRANSPORTATION WAS ESSENTIAL TO GIVING IT THE FUNDING AND IMPORTANCE IT DESERVES. WE CONTINUE TO QUESTION THE LEVEL OF FUNDING AND TO SUPPORT A SEPARATE SECTION 18 PROGRAM, BUT RECOGNIZE THE DESIRABILITY OF GIVING STATES AND LOCALITIES THE ADDED FUNDING FLEXIBILITY THE COMMITTEE PROPOSAL ENTAILS.

AS WE POINTED OUT IN LAST YEAR'S TESTIMONY, MR. CHAIRMAN, THE COMMITTEE FEDERAL AID RURAL PROGRAM WOULD ALSO EXPAND THE PROGRAM TO INCLUDE MINOR AS WELL AS THE MAJOR COLLECTORS THAT CURRENTLY MAKE UP THE FEDERAL AID SECONDARY SYSTEM. THIS WOULD ALMOST DOUBLE THE MILEAGE OF RURAL ROADS ELIGIBLE FOR FEDERAL ASSISTANCE FROM ABOUT 400,000 TO APPROXIMATELY 700,000 MILES. THIS ADDED FLEXIBILITY WOULD BE COMPATIBLE WITH THE ALREADY EXISTING PROGRAM BUT REQUIRE A HIGHER AUTHORIZATION LEVEL THAN THE COMMITTEE HAS SUGGESTED. THE ADMINISTRATION'S SUGGESTED AUTHORIZATION LEVEL OF $700,000,000 IN S. 841 COULD BE A BEGINNING

POINT WITH YEARLY INCREASES TO COMPENSATE FOR INFLATION. IF AN ADEQUATE LEVEL OF FUNDING IS NOT POSSIBLE DUE TO BUDGETARY CONSTRAINTS, THE TARGETING OF FUNDS WOULD BE AN ESSENTIAL MINIMUM TO KEEP THE PROGRAM FOCUSED ON HIGHER PRIORITY ROAD NEEDS. APPROXIMATELY 70% OF THE FUNDS WOULD NEED TO BE SET ASIDE FOR PROJECTS ON THE MORE HIGHLY TRAVELED, MAJOR COLLECTORS CLASSIFIED AS PART OF THE OLD FEDERAL AID SECONDARY PROGRAM. THIS WOULD ASSIST LOCAL OFFICIALS IN TARGETING FUNDS TO HIGHEST PRIORITY PROJECTS.

BRIDGE PROGRAM

WE ARE PLEASED THAT THE SUBCOMMITTEE RECOGNIZES THE HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION PROGRAM AS A CONTINUING FEDERAL RESPONSIBILITY AND THE INCLUSION IN ITS NEW APPORTIONMENT FORMULA OF THE SQUARE FOOTAGE OF OFF-SYSTEM DEFICIENT BRIDGES AS WELL AS THOSE ON THE SYSTEM. WE RECOGNIZE THE SUBCOMMITTEE'S ACCORDING DOUBLE WEIGHT TO ON-SYSTEM BRIDGES AS AN ATTEMPT TO GIVE PRIORITY TO THESE PROJECTS. NACO PREFERS TO GIVE EQUAL WEIGHT IN THE FORMULA TO ON AND OFF-SYSTEM BRIDGES AND ALLOW STATES AND LOCALITIES TO ASSIGN PRIORITIES COOPERATIVELY AS HAS BEEN DONE IN WISCONSIN AND IN MANY OTHER STATES. LESS THAN 1% OF THE OFF-SYSTEM STRUCTURES ELIGIBLE FOR FEDERAL AID HAD BEEN FUNDED THROUGH FY'80 THOUGH ROUGHLY 56% OF OFF-SYSTEM BRIDGES WHICH ARE A LOCAL RESPONSIBILITY HAVE BEEN FOUND DEFICIENT. THEREFORE, WE FEEL A FORMULA GIVING THEM EQUAL WEIGHT MORE ADEQUATELY REFLECTS ACTUAL BRIDGE NEEDS. PRIORITIES AS TO WHICH OF THESE NEEDS ARE MOST PRESSING ARE BEST SET BY STATES AND LOCALITIES WHO ARE CLOSEST TO THE PROBLEM.

WE QUESTION USING THE NATIONAL AVERAGE UNIT COST RATHER THAN EACH STATE'S AVERAGE COST TO COMPUTE STATE APPORTIONMENTS. PROJECT COSTS VARY NATIONWIDE AND SHOULD BE REFLECTED IN STATES' APPORTIONMENTS. GIVEN THE BUDGETARY CONSTRAINTS ALL LEVELS OF GOVERNMENT NOW FACE, FORMULAS SHOULD BE AS CLOSELY RELATED TO ACTUAL COSTS AS POSSIBLE.

WE APPRECIATE THE SUBCOMMITTEE'S LANGUAGE SPECIFICALLY INCLUDING BRIDGES ON PUBLIC ROADS CLASSIFIED AS MAJOR COLLECTORS IN ITS DEFINITION OF FEDERAL AID ON SYSTEM BRIDGES. THIS ASSURANCE OF CONTINUED ON-SYSTEM STATUS FOR BRIDGES ON THE FEDERAL AID SECONDARY SYSTEM IS ESSENTIAL TO THE COUNTIES. WE ALSO APPRECIATE THE COMMITTEE'S DESIRE TO RAISE THE AMOUNT OF MONEY WHICH CAN BE SPENT ON THE OFF SYSTEM BY REMOVING THE CAP OF 35%. NACO WOULD ALSO LIKE TO SUGGEST AN INCREASE IN THE MINIMUM LEVEL WHICH CAN BE SPENT ON THE OFF SYSTEM TO 25% SINCE THE MINIMUM OFTEN BECOMES THE MAXIMUM MOST STATES ARE WILLING TO INVEST. WE FEEL THIS IS JUSTIFIED SINCE ALMOST ONE OUT OF EVERY THREE BRIDGES ON LOCAL OFF-SYSTEM ROADS AND STREETS IS STRUCTURALLY DEFICIENT AND ONE OUT OF EVERY FOUR OF THESE BRIDGES HAS BEEN FOUND FUNCTIONALLY OBSOLETE. TO BETTER HIGHLIGHT THE CONDITION OF THESE BRIDGES WE HAVE SUBMITTED CHARTS BASED ON F.H.W.A. 1980 DATA SUPPLIED US BY THE HIGHWAY USERS FEDERATION.

NACO WOULD NOT SUPPORT ADMINISTRATION PROPOSALS IN ITS DRAFT LEGISLATION TO REMOVE THE REQUIREMENT THAT A SPECIFIC PERCENTAGE OF THE FUNDS BE SPENT IN EACH STATE FOR OFF-SYSTEM BRIDGES. WE ALSO FIND UNACCEPTABLE AN ADMINISTRATION PROPOSAL TO REPEAL REQUIRED REPORTS TO CONGRESS ON THE STATUS OF THE BRIDGE PROGRAM. NACO FEELS IT ESSENTIAL FOR CONGRESS AND THE PUBLIC TO BE ADEQUATELY INFORMED IN THE PROGRESS OF THIS IMPORTANT PROGRAM. WE STRONGLY SUPPORT THE SUBCOMMITTEE'S RETENTION OF BOTH OF THESE PROVISIONS IN S. 2315.

INCREASED MOTOR FUEL AND HIGHWAY USER TAXES

AS YOU POINTED OUT, MR. CHAIRMAN, WHEN YOU INTRODUCED S. 2315, THE NEED FOR AN INCREASE IN FEDERAL MOTOR FUEL AND OTHER HIGHWAY USER TAXES IS CLEAR. DESPITE THE FISCAL RESTRAINT OF THE SUBCOMMITTEE'S BILL, FAILURE TO INTRODUCE AN INCREASE IN USER TAXES WILL RESULT IN A DRAMATIC DROP IN THE TRUST FUND'S BALANCE. TO JEOPARDIZE THE TRUST FUNDS FUTURE SOLVENCY IN AN ERA OF DECLINING REVENUES, CONTINUED INFLATION, AND GROWING HIGHWAY NEEDS IS UNWISE PUBLIC POLICY IN OUR EYES. THEREFORE, NACO SUPPORTS A RESPONSIBLE INCREASE IN MOTOR FUEL AND OTHER HIGHWAY USER TAXES SUCH AS THOSE ON HEAVY TRUCKS SO LONG AS THE FEDERAL AID HIGHWAY SYSTEM RETAINS FUNDING FOR PUBLIC ROADS INCLUDED IN THE FEDERAL AID SECONDARY AND URBAN SYSTEMS. IF, HOWEVER, HIGHWAYS ON THE FEDERAL AID SECONDARY AND URBAN SYSTEMS ARE EXCLUDED FROM FEDERAL FUNDING AS THE ADMINISTRATION PROPOSES, WE WOULD OPPOSE SUCH AN INCREASE SINCE IT WOULD MAKE IT MUCH MORE DIFFICULT TO RAISE THE NEEDED REVENUES AT THE LOCAL AND STATE LEVELS.

UNDER THESE CONDITIONS THE SECRETARY OF TRANSPORTATION'S PROPOSAL TO RAISE USER FEES BY 5¢ AND SET ASIDE 1¢ FOR TRANSIT HAS NACO'S SUPPORT. NACO HAS A LONG-STANDING POLICY IN SUPPORT OF A SEPARATE TRUST FUND FOR TRANSIT. INCLUDING 1¢ FOR TRANSIT CAPITAL NEEDS IN THE HIGHWAY TRUST FUND IS CONSISTENT WITH THE INTENT OF OUR POLICY AND REFLECTS THE NEED FOR ADDITIONAL TRANSIT CAPITAL FUNDING. THE SECRETARY'S PROPOSAL TO DEDICATE 4¢ FOR HIGHWAYS ALSO ASSURES THAT ADEQUATE FUNDING WILL BE AVAILABLE FOR EVEN GREATER HIGHWAY NEEDS.

HIGHWAY BEAUTIFICATION

FINALLY, THE DISTINGUISHED CHAIRMAN OF FULL COMMITTEE HAS BROUGHT THIS ISSUE TO OUR ATTENTION. CURRENT HIGHWAY BEAUTIFICATION PROVISIONS OBSTRUCT STATE AND LOCAL GOVERNMENT ZONING RIGHTS REGARDING REMOVAL OF BILLBOARDS AND SIGNS. THOUGH NACO HAS NO SPECIFIC POLICY ON THIS ISSUE AS YET, WE WILL DEAL WITH IT AT THE NEXT MEETING OF OUR TRANSPORTATION

STEERING COMMITTEE. CLEARLY SUCH PROVISIONS ARE IN VIOLATION OF OUR TRADITIONAL SUPPORT FOR UNIMPEDED LOCAL ZONING RIGHTS AND WE THANK SENATOR STAFFORD FOR CALLING THIS ISSUE TO OUR ATTENTION.

WE THANK YOU MR. CHAIRMAN, FOR THIS OPPORTUNITY TO PRESENT NACO'S VIEWS ON S. 2315. WE WILL BE HAPPY TO ANSWER ANY FURTHER QUESTIONS AND LOOK FORWARD TO ASSISTING YOU IN THE ENACTMENT OF MUCH NEEDED HIGHWAY REAUTHORIZATION LEGISLATION.

BRIDGE DEFICIENCIES AS OF DECEMBER 31, 1980

(BASED ON DATA FROM THE FEDERAL HIGHWAY ADMINISTRATION)

SUPPLIED TO NACO AS A COURTESY BY THE HIGHWAY USERS FEDERATION

THE FOLLOWING CHART IS A SUMMARY OF THE INFORMATION CONTAINED IN TWO SUPPLEMENTARY TABLES INCLUDED IN THE ATTACHMENT. THEY BREAKDOWN DEFICIENCIES BY STATE.

FEDERAL-AID SYSTEMS	STRUCTURALLY DEFICIENT		FUNCTIONALLY OBSOLETE		DEFICIENCIES TOTAL	
	NO.	%	NO.	%	NO.	%
INTERSTATE (R&U)	1,379	5.8	2,841	7.5	4,220	6.9
PRIMARY (RURAL)	5,490	23.2	10,825	28.6	16,315	26.5
PRIMARY (URBAN)	1,519	6.4	2,320	6.1	3,839	6.2
SECONDARY RURAL (STATE JURISDICTION)	5,483	23.1	10,154	26.8	15,637	25.4
SECONDARY RURAL (LOCAL JURISDICTION)	6,064	25.7	7,863	20.8	13,927	22.6
URBAN SYSTEM	3,754	15.8	3,857	10.2	7,611	12.4
TOTAL FA-SYSTEMS	23,689	100.0	37,860	100.0	61,549	100.0
OFF-SYSTEMS						
STATE RURAL	8,273	10.0	7,304	10.7	15,577	10.3
STATE URBAN	250	0.3	461	0.7	711	0.5
LOCAL RURAL	71,281	85.8	57,396	84.2	128,677	85.1
LOCAL CITY	3,250	3.9	2,965	4.4	6,215	4.1
TOTAL OFF-SYSTEM	83,054	100.0	68,126	100.0	151,180	100.0

MATRIX

HIGHWAY BRIDGES GREATER THAN OR EQUAL TO 20 FEET LONG
STRUCTURALLY DEFICIENT ONLY - COUNT OF BRIDGES
DATA AS OF DECEMBER 31, 1980 - REPORT TO CONGRESS

Rec 11-2-81
Dem.

DEC 31

	INT. REV	PRI. R.	PRI. U.	SEC.R. S	SEC.R. L	ST.R.OFF	ST.U.OFF	LOC.RUR	L.CITY	F.A. UR
ALABAMA	10	218	15	194	200	3	0	1,379	77	34
ALASKA	0	17	1	30	0	22	1	22	4	[illegible]
ARIZONA	3	10	0	8	24	2	0	67	4	6
ARKANSAS	2	39	2	72	126	185	2	1,506	9	71
CALIFORNIA	37	205	19	34	184	20	1	718	42	74
COLORADO	18	57	8	63	0	22	0	121	4	47
CONNECTICUT	4	2	13	10	3	6	4	97	32	66
DELAWARE	0	10	5	18	0	49	0	0	5	16
DIST. OF COL.	3	0	34	0	0	0	0	0	1	12
FLORIDA	1	62	26	24	36	19	3	220	98	37
GEORGIA	0	57	6	52	176	4	0	3,359	46	52
HAWAII	4	32	4	46	1	1	0	26	4	2
IDAHO	24	81	6	53	59	3	0	492	27	15
ILLINOIS	27	388	84	142	277	104	4	4,110	75	152
INDIANA	37	105	31	196	176	1	0	3,625	102	80
IOWA	12	339	23	0	276	10	1	4,251	107	46
KANSAS	4	146	9	65	645	4	1	4,959	30	57
KENTUCKY	4	141	14	357	1	560	9	2,249	0	37
LOUISIANA	22	93	16	267	0	186	3	4,613	257	85
MAINE	8	17	7	28	0	32	0	15	1	16
MARYLAND	15	18	7	6	8	5	1	113	2	14
MASSACHUSETTS	40	36	71	17	64	11	11	44	62	275
MICHIGAN	4	13	10	9	449	0	1	2,085	142	153
MINNESOTA	8	172	37	19	148	1	2	1,193	159	133
MISSISSIPPI	14	611	42	609	924	4	2	4,621	87	35
MISSOURI	41	93	19	177	0	31	0	1,977	83	54
MONTANA	2	22	3	46	0	38	0	214	1	10
NEBRASKA	1	66	4	25	300	0	0	5,074	76	33
NEVADA	1	4	1	4	0	2	0	23	0	3
NEW HAMPSHIRE	20	22	8	29	0	51	2	318	16	24
NEW JERSEY	49	47	99	36	73	5	2	239	92	145
NEW MEXICO	43	46	8	44	2	15	0	130	11	11
NEW YORK	417	643	380	395	348	106	17	4,971	553	893
NORTH CAROLINA	36	103	25	421	1	5,010	119	0	21	93
NORTH DAKOTA	11	36	3	7	183	0	0	1,024	32	9
OHIO	37	97	51	262	112	34	1	1,763	40	174
OKLAHOMA	8	23	2	60	226	15	0	2,349	2	76
OREGON	23	84	12	63	45	2	0	231	16	14
PENNSYLVANIA	123	202	155	282	9	628	31	1,062	117	255
RHODE ISLAND	19	2	9	0	0	0	1	10	10	26
SOUTH CAROLINA	6	33	4	105	1	290	9	271	1	7
SOUTH DAKOTA	16	50	1	34	51	6	0	639	3	8
TENNESSEE	38	251	26	282	479	9	5	1,626	73	57
TEXAS	41	68	36	254	0	113	3	6,057	423	23
UTAH	4	11	0	20	8	2	0	187	48	1
VERMONT	1	22	0	38	9	1	0	155	2	8
VIRGINIA	10	145	19	92	174	2	3	325	21	76
WASHINGTON	4	29	7	10	49	0	0	278	34	22
WEST VIRGINIA	10	62	11	281	1	582	9	1	16	26
WISCONSIN	113	423	130	145	214	3	3	2,215	181	173
WYOMING	4	8	0	32	1	1	0	21	0	1
PUERTO RICO	0	27	16	21	1	73	2	28	2	10
TOTAL	1,379	5,490	1,519	5,463	6,064	8,273	250	71,281	3,250	3,754

[illegible] HIGHWAY BRIDGES GREATER THAN OR EQUAL TO 20 FEET LONG [illegible]
FUNCTIONALLY OBSOLETE ONLY - COUNT OF BRIDGES
DATA AS OF DECEMBER 31, 1980 - REPORT TO CONGRESS

DEC 31 1[illegible]

	INT. RUR	PRI. R.	PRI. U.	SEC.R. S	SEC.R. L	ST.R.OFF	ST.U.OFF	LOC.RUR	L.CITY	F.A. URB
LABAMA	4	392	40	266	80	2	0	899	52	48
LASKA	0	1	[illegible]	8	0	21	0	8	1	1
RIZONA	23	26	2	21	13	0	0	28	1	5
RKANSAS	1	233	8	148	211	255	4	3.775	22	171
ALIFORNIA	55	428	66	56	507	19	0	1.356	90	322
OLORADO	35	73	4	36	0	6	0	25	9	58
ONNECTICUT	248	63	155	59	1	6	25	201	43	169
ELAWARE	8	2	0	2	0	12	1	0	2	2
IST. OF COL.	1	0	5	0	0	0	0	0	0	0
LORIDA	451	302	228	141	115	98	87	291	55	97
EORGIA	286	952	169	413	271	3	6	1.239	66	249
AWAII	0	30	4	7	1	5	0	64	3	0
DAHO	5	10	1	0	70	1	0	443	15	3
LLINOIS	121	332	139	116	219	107	4	2.465	69	216
NDIANA	134	493	184	447	366	0	0	4.536	242	294
OWA	60	448	82	0	835	19	5	5.935	154	108
ANSAS	49	563	26	126	770	3	1	1.555	26	22
ENTUCKY	94	234	26	607	0	426	13	717	2	46
OUISIANA	24	330	30	827	0	464	22	1.207	207	93
AINE	3	35	2	65	6	164	3	43	4	11
ARYLAND	47	51	52	65	11	32	7	164	2	59
ASSACHUSETTS	20	8	18	5	12	1	2	10	7	54
ICHIGAN	10	34	28	22	108	0	0	251	63	133
INNESOTA	44	204	39	42	260	2	2	2.163	181	91
ISSISSIPPI	13	542	31	256	995	2	0	1.823	63	29
ISSOURI	252	795	131	1.633	1	253	5	7.656	268	214
ONTANA	8	66	12	103	0	43	0	191	6	3
EBRASKA	4	305	32	108	792	0	0	4.231	58	50
EVADA	9	32	3	56	1	12	0	34	1	0
EW HAMPSHIRE	3	56	12	108	0	138	1	351	35	22
EW JERSEY	11	2	10	16	27	4	1	104	35	61
EW MEXICO	21	116	3	61	1	11	1	85	2	6
EW YORK	42	77	48	56	38	22	5	866	85	77
ORTH CAROLINA	283	354	198	859	0	3.286	195	0	58	257
ORTH DAKOTA	3	90	0	18	272	0	0	1.452	29	1
HIO	2	44	6	105	98	25	0	1.576	48	53
KLAHOMA	3	94	4	124	232	19	0	1.123	9	19
REGON	5	36	14	58	114	1	0	523	16	26
ENNSYLVANIA	38	181	58	284	2	625	7	391	46	82
HODE ISLAND	0	0	4	1	0	9	0	12	5	6
OUTH CAROLINA	49	112	19	139	1	127	23	72	3	47
OUTH DAKOTA	1	68	3	35	115	12	0	1.496	6	7
ENNESSEE	20	462	103	193	496	5	3	857	47	134
EXAS	305	909	166	1.707	0	537	32	3.693	306	174
TAH	0	63	1	36	7	5	0	75	26	5
ERMONT	18	125	2	55	118	4	0	811	10	22
IRGINIA	13	439	9	45	201	5	6	352	15	32
ASHINGTON	14	40	17	16	65	0	0	176	11	43
EST VIRGINIA	0	63	7	256	1	339	3	2	16	22
ISCONSIN	7	262	34	116	395	0	0	1.896	114	63
YOMING	11	97	2	30	1	6	0	6	0	2
UERTO RICO	6	108	83	164	0	182	3	116	13	79
OTAL	2.841	10,825	2,320	10,154	7,863	7.304	461	57.356	2.965	3.857

Statement by:

NA
Co

National Association of Counties

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STATEMENT

OF

ROY ORR

COMMISSIONER, DALLAS COUNTY, TEXAS

AND

PRESIDENT, NATIONAL ASSOCIATION OF COUNTIES

BEFORE

SUBCOMMITTEE ON TRANSPORTATION

SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

ON

FUTURE HIGHWAY LEGISLATION NEEDS

SEPTEMBER 9, 1980
WASHINGTON, D.C.

NATIONAL ASSOCIATION OF COUNTIES

STATEMENT OF THE HONORABLE ROY ORR, COMMISSIONER, DALLAS COUNTY, TEXAS AND PRESIDENT OF THE NATIONAL ASSOCIATION OF COUNTIES; ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES BEFORE THE SENATE SUBCOMMITTEE ON TRANSPORTATION, COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS; ON FUTURE HIGHWAY LEGISLATION, S.2913; SEPTEMBER 9, 1980.

MR. ORR

GOOD MORNING MR. CHAIRMAN. I AM ROY ORR, COMMISSIONER OF DALLAS COUNTY, TEXAS AND PRESIDENT OF THE NATIONAL ASSOCIATION OF COUNTIES* WHOSE VIEWS I AM REPRESENTING TODAY. WITH ME IS DAN MURPHY, COUNTY EXECUTIVE OF OAKLAND COUNTY, MICHIGAN, OUTSIDE DETROIT, AND CHAIRMAN OF THE NATIONAL ASSOCIATION OF COUNTIES TRANSPORTATION POLICY STEERING COMMITTEE AND ALSO WITH ME IS KATHY HOFFMAN, NACo'S LEGISLATIVE REPRESENTATIVE FOR TRANSPORTATION.

IN PREPARING OUR TESTIMONY MR. CHAIRMAN, WE HAVE REVIEWED THE SUBCOMMITTEE'S BILL, S.2913, AND THE U.S. DEPARTMENT OF TRANSPORTATION'S FEDERAL HIGHWAY LEGISLATION: PROGRAM AND REVENUE OPTIONS PAPER OF JUNE 26, 1980. OUR COMMENTS WILL RELATE TO THE MAJOR PROVISIONS OF THE COMMITTEE BILL AND SOME OF THE LEGISLATIVE OPTIONS DESCRIBED IN THE DOT PAPER. SINCE THE SPECIFIC LEGISLATIVE ISSUES RAISED IN BOTH DOCUMENTS HAVE NOT BEEN FORMALLY REVIEWED AND DISCUSSED BY NACo'S TRANSPORTATION STEERING COMMITTEE, WHICH SETS OUR LEGISLATIVE POLICIES, OUR COMMENTS ARE PRELIMINARY AND WILL NOT COVER ALL THE OPTIONS AND ISSUES MENTIONED IN EITHER THE BILL OR DISCUSSION PAPER.

WE ALSO REALIZE, MR. CHAIRMAN, THAT BOTH S.2913 AND THE OPTIONS PAPER REPRESENT NO FINAL DECISIONS ON THE PART OF THE COMMITTEE OR THE DEPARTMENT OF TRANSPORTATION BUT SERVE RATHER TO STIMULATE DISCUSSION OF THE BASIC ISSUES TO BE RESOLVED BEFORE THE FEDERAL AID HIGHWAY PROGRAM CAN BE REAUTHORIZED. BETWEEN NOW AND EARLY DECEMBER, WE

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* The National Association of Counties is the only national organization representing county government in the United States. Through its membership, urban, suburban and rural counties join together to build effective, responsive county government. The goals of the organization are to:

- improve county governments;
- serve as the national spokesman for county government;
- act as a liaison between the nation's counties and other levels of government;
- achieve public understanding of the role of counties in the federal system.

NATIONAL ASSOCIATION OF COUNTIES

PLAN TO REVIEW EACH OF THE PROPOSED OPTIONS AND ANY SUBSEQUENT LEGISLATION WITH MEMBERS OF OUR STEERING COMMITTEE IN ORDER TO MAKE MORE SPECIFIC RECOMMENDATIONS LATER IN THE LESISLATIVE PROCESS. IN THE MEANTIME, WE COMPLIMENT THE SUBCOMMITTEE FOR ENCOURAGING CONSTRUCTIVE DEBATE OF THESE ISSUES BY HOLDING HEARINGS AND INVITING THE PARTICIPATION OF A WIDE RANGE OF GROUPS LIKE NACo, WHICH ARE CONCERNED WITH TRANSPORTATION POLICY.

S.2913

WITH THESE QUALIFYING REMARKS IN MIND, MR. CHAIRMAN, WE WILL DISCUSS OUR PRELIMINARY REACTIONS TO S.2913. WE SUPPORT THOSE PROVISIONS WHICH WOULD CONTINUE THE HIGHWAY TRUST FUND BEYOND ITS 1985 EXPIRATION DATE AND ENCOURAGE THE EXPEDITIOUS COMPLETION OF "ESSENTIAL GAPS" WITHIN THE INTERSTATE HIGHWAY SYSTEM.

WE ENDORSE THE COMMITTEE'S BROADENING OF THE INTERSTATE 3r PROGRAM TO INCLUDE A FOURTH "r" FOR RECONSTRUCTION. WE ALSO ACKNOWLEDGE THE NEED TO ADD GREATER WEIGHT TO VEHICLE MILES TRAVELED IN APPORTIONING INTERSTATE RESURFACING FUNDS. WE HOPE THIS WILL REFLECT A GREATER FEDERAL EMPHASIS ON NEEDED MAINTENANCE WITHIN THE FEDERAL AID HIGHWAY PROGRAM IN THE FUTURE.

WE WELCOME THE BILL'S PROPOSED AUTHORIZATION INCREASES FOR THE INTERSTATE AND INTERSTATE 3r PROGRAMS AND THE FEDERAL AID URBAN, PRIMARY, AND SECONDARY SYSTEMS. WE PARTICULARLY APPPECIATE THE SIZEABLE INCREASE IN THE BRIDGE REPLACEMENT AND REHABILIATION PROGRAM.

WE ACKNOWLEDGE ALONG WITH THE COMMITTEE THE PRESSING NEED TO RECTIFY THE HIGHWAY TRUST FUND'S INCREASING IMBALANCE. YET WE HAVE NO DEFINITIVE STRATEGIES TO PROPOSE AT THIS TIME. RATHER THAN COMMIT OURSELVES TO ONE METHOD OF INCREASING TRUST FUND REVENUES SUCH AS CONVERSION TO AN AD VALORUM TAX, WE WOULD PREFER TO EXPLORE FURTHER THE

ADVANTAGES AND IMPLICATIONS OF MANY STRATEGIES INCLUDING-INCREASING TRUST FUND UNIT TAXES, INDEXING MOTOR FUEL TAXES TO SOME MEASURE OF HIGHWAY NEED OR DEVELOPING NEW TAXES, SUCH AS TON-MILE OR WEIGHT TAXES, TO REFLECT THE DAMAGE DONE BY INCREASING NUMBERS OF HEAVY TRUCKS.

WE APPRECIATE AND SUPPORT THE SUBCOMMITTEE'S EXPLICIT MENTION OF OFF-SYSTEM BRIDGE NEEDS TO BE INCLUDED IN THE NEXT BRIDGE COST ESTIMATE.

FINALLY, WE ALSO HEARTILY ENDORSE THE SUBCOMMITTEE'S REAFFIRMATION OF THE PRESIDENT'S RESPONSIBILITY FOR PROPOSING TO CONGRESS FOR ITS REVIEW ANY LIMITATIONS ON THE OBLIGATION RATE OF FUNDS FOR FEDERAL AID HIGHWAYS AND HIGHWAY SAFETY CONSTRUCTION PROGRAMS. THE SUSPENSION OF FEDERAL AID HIGHWAY PROGRAM OBLIGATIONS LAST SPRING AS WELL AS THE SUBSEQUENT LIMITATION ON THE RATE OF FURTHER OBLIGATIONS RESULTED IN THE DISLOCATION OF MANY COUNTY HIGHWAY AND BRIDGE PROGRAMS. THOUGH COUNTIES ACCEPT THE NEED FOR FISCAL RESTRAINT, SUDDEN LIMITATIONS ON THE OBLIGATION OF PREVIOUSLY AUTHORIZED HIGHWAY FUNDS WITHOUT CONGRESSIONAL APPROVAL IS NOT A CONSTRUCTIVE SOLUTION. INDEED, IT MAY RESULT IN ADDITIONAL EXPENSES IN THE LONG RUN DUE TO LAY OFFS TO STAFF COMMITTED TO PROJECTS, AND DELAYS IN VITAL REPAIRS, AS YOU WILL NOTE FROM THE LETTERS ATTACHED TO OUR STATEMENT. (Attachments 1 and 2) THEREFORE, WE GREATLY APPRECIATE THE SUBCOMMITTEE'S RESPONSIVENESS IN THIS MATTER.

CONCERNS

DESPITE OUR SUPPORT FOR MANY OF THE PROVISIONS OF S.2913, WE DO HAVE SOME CONCERNS, MR. CHAIRMAN. THE FIRST IS THE POSSIBLE ELIMINATION OF THE SECONDARY ROAD PROGRAM FROM THE FEDERAL AID HIGHWAY SYSTEM. THIS IS DESCRIBED IN THE DOT DISCUSSION PAPER AS AN OPTION FOR FUTURE HIGHWAY LEGISLATION. NACo COMMENDS THE SUBCOMMITTEE FOR NOT ADOPTING THIS APPROACH IN S.2913 WE HOPE THAT ANY SUBSEQUENT LEGISLATION WOULD ALSO CONTINUE THE SECONDARY ROAD PROGRAM AS PART OF THE FEDERAL AID SYSTEM. THESE ROADS ARE AN INTEGRAL PART OF OUR NATION'S TRANSPORTATION SYSTEM AND IMPACT OUR NATION'S ECONOMY AND THE GROSS NATIONAL PRODUCT. THESE ARE LOCAL ROADS OVER WHICH ESSENTIAL COMMODITIES

ARE TRANSPORTED, INCLUDING: FOOD, MANUFACTURED PRODUCTS AND ENERGY RESOURCES SUCH AS COAL. FOR THESE REASONS AS WELL AS OTHERS I WILL DESCRIBE, MR. CHAIRMAN, WE REGARD CONTINUED FEDERAL SUPPORT FOR THE SECONDARY ROADS AS VITAL TO THE NATION'S ECONOMIC WELL-BEING AND TRANSPORTATION NETWORK.

AS ADMINISTRATOR HASSELL'S TESTIMONY AND THE DOT DISCUSSION PAPER POINT OUT, THE DETERIORATION OF SECONDARY ROADS IS INCREASING. "ONLY 28% OF THE EXISTING PAVED ROADS CAN BE CLASSIFIED AS HAVING A GOOD, OR FAIRLY NEW TRAVEL SURFACE," ACCORDING TO THE DOT PAPER.

IN ASSESSING FUTURE NEEDS, IT FURTHER STATES, "TRAVEL ON SECONDARY ROUTES IS EXPECTED TO INCREASE BY ALMOST 2% PER YEAR THROUGH 1990." THOUGH THE PAPER ASSUMES THIS WILL HAVE LITTLE EFFECT ON THE OPERATIONAL FEATURES OF SECONDARY ROADS, IT DOES ADMIT THAT THERE WILL BE EXCEPTIONS. THESE "...WILL OCCUR WHERE RAIL BRANCH LINES ARE ABANDONED, AND RURAL ROADS WILL BE RELIED UPON TO HANDLE INCREASED HEAVY TRUCK TRAFFIC AND INCREASED DEMAND FOR FARM TO HARBOR TRAVEL."

MR. CHAIRMAN, THESE EXCEPTIONS MAY BECOME THE RULE IN MANY AGRICULTURAL AREAS. IN THE LAST DECADE ALONE, OVER 7000 MILES OF RAILROAD TRACK HAVE BEEN ABANDONED IN ELEVEN MAJOR AGRICULTURAL STATES. LAST YEAR THE RURAL DEVELOPMENT INITATIVES REPORT, IMPROVING TRANSPORTATION IN RURAL AMERICA ESTIMATED THAT 16,632 MORE MILES OF LIGHT DENSITY RAIL LINES ARE LIKELY CANDIDATES FOR ABANDONMENT IN THE NEXT FEW YEARS.

SINCE RAILROADS HANDLE OVER 70% OF COAL TON-MILES AND 60% OF GRAIN TON-MILES, THE INCREASING NUMBER OF ABANDONMENTS IS EXTREMELY SIGNIFICANT FOR NOT ONLY AGRICULTURAL BUT ENERGY NEEDS AS WELL. SOME OF OUR AGRICULTURAL COUNTIES IN KANSAS, IOWA, NEBRASKA, AND COLORADO TRIED TO STEM THIS TIDE BY FORMING A PORT AUTHORITY TO BUY AND OPERATE A BANKRUPT RAILROAD, THE ROCK ISLAND. BUT MOST WILL NOT BE ABLE TO AFFORD THIS LUXURY

AND THE SECONDARY ROADS WILL BEAR THE BURDEN. THE RURAL TRANSPORTATION TASK FORCE'S FINDING THAT "LOCAL AREAS EXPERIENCING INCREASES IN TRUCK VOLUME, RAIL ABANDONMENT OR RESOURCE EXTRACTION WILL FEEL THE GREATEST DECLINE IN THE QUALITY OF THEIR ROADS AND BRIDGES" IS VALID FOR MANY AREAS WITH SECONDARY ROADS. HEAVY TRUCK TRAFFIC (OVER 50,000 LBS.) HAS INCREASED FROM 8% IN 1955 TO 30.3% IN 1975. THE CONDITION OF SECONDARY ROADS DESCRIBED IN DOT'S OPTIONS PAPER BEARS THIS OUT, MR. CHAIRMAN. "BY 1990 NEARLY 90% OF TODAY'S PAVED MILEAGE WILL NEED REPLACING." FIVE YEARS LATER APPROXIMATELY 90% OF THE TOTAL SYSTEM WILL HAVE AT LEAST ONE AND POSSIBLY MORE DEFICIENCIES RELATED NOT ONLY TO PAVEMENT, BUT ALSO TO GEOMETRICS, ROADWAY CROSS-SECTION OR OPERATING PERFORMANCE. IN ADDITION, THE REPORT NOTES 1 OUT OF 3 BRIDGES ARE DEFICIENT AND 15% OF THESE ROADS ARE STILL UNPAVED.

THIS IS NOT STRICTLY A LOCAL PROBLEM, MR. CHAIRMAN. IT ALSO AFFECTS OUR INTERNATIONAL BALANCE OF TRADE IN AGRICULTURAL COMMODITIES. THE RURAL TRANSPORTATION TASK FORCE REPORT ON TRANSPORTATION SERVICES TO MEET THE GROWING NEEDS OF AGRICULTURE ESTIMATED IN 1977 THAT ROUGHLY $5 BILLION WORTH OF EXPORTS TO EUROPE WOULD BE ADVERSELY AFFECTED BY DETERIORATION OF OUR DOMESTIC AND FOREIGN SHIPPING ARRANGEMENTS. THESE SHIPPING ARRANGEMENTS DEPEND INCREASINGLY ON THE HIGHWAYS AS WELL AS RAILROADS.

SECONDARY ROADS ARE NOT ONLY IMPORTANT FOR AGRICULTURE BUT ALSO FOR ENERGY RELATED USES AND DEVELOPMENT. ACCORDING TO THE COAL HAUL ROADS STUDY, 37% OF THE COAL HAUL ROAD MILEAGE IS IN RURAL AREAS. OF THOSE ROADS THE SECONDARY SYSTEM ACCOUNTS FOR A COAL HAUL ROAD MILEAGE OF ALMOST 8,000 MILES. THIS IS APPROXIMATELY 35% OF TOTAL RURAL ON-SYSTEM MILEAGE.

WITH THE INCREASED USE OF RURAL ROADS FOR COAL HAULING COMES INCREASED MAINTENANCE AND CONSTRUCTION NEEDS. ESTIMATES OF ENERGY-INDUCED COSTS RANGE FROM $20 BILLION TO

ALMOST $4 BILLION DEPENDING ON THE LEVEL OF IMPROVEMENTS STANDARDS USED. OF THE ORIGINAL ESTIMATE OF $20 BILLION OF CONSTRUCTION NEEDS FROM INCREASED HEAVY TRUCK TRAFFIC, IDENTIFIED BY THE COAL HAUL ROADS STUDY, SECONDARY ROADS ACCOUNT FOR $3.7 BILLION OVER AN EIGHT YEAR PERIOD (FROM 1977 TO 1985). THESE NEEDS ARE NATURALLY CONCENTRATED IN THE APPALACHIAN COAL MINING REGION WITH THE STATES OF KENTUCKY, OHIO, PENNSYLVANIA AND WEST VIRGINIA ACCOUNTING FOR 3/4 OF TOTAL NEEDS.

STAGGERING AS THESE FIGURES ARE, MR. CHAIRMAN, THEY ARE ONLY A PARTIAL PICTURE OF THE ENERGY-INDUCED HIGHWAY NEEDS OF THE FUTURE WHICH WILL AFFECT SECONDARY ROADS. THEY ARE BASED ON INFORMATION GATHERED IN ONLY 15 COAL-PRODUCING STATES AND ESTIMATES FOR 6 OTHERS. THEY DO NOT ACCOUNT FOR OTHER ENERGY RELATED DEVELOPMENTS IN MANY WESTERN AND SOUTHERN STATES. THESE INCLUDE HIGHWAY IMPROVEMENTS TO PROVIDE ACCESS TO FOSSIL-FUELED AND NUCLEAR POWER PLANTS AND TO SUPPORT OFFSHORE DRILLING ACTIVITIES AND ACCOMODATE INCREASED TRAFFIC VOLUME DUE TO THE MOVEMENT OF WORKERS, MATERIALS AND EQUIPMENT TO ENERGY FACILITY WORK SITES AND NEW POPULATION GROWTH CREATED BY ENERGY PRODUCTION AND CONVERSION ACTIVITIES. EIGHTY-EIGHT PERCENT OF THESE "NON-HAUL ENERGY INDUCED NEEDS" DESCRIBED IN HIGHWAY NEEDS TO SOLVE ENERGY PROBLEMS ARE CONCENTRATED ON THE FEDERAL AID HIGHWAY SYSTEM. THEY INCLUDE NOT ONLY THE APPALACHIAN STATES BUT AREAS IN COLORADO, UTAH, WYOMING, MONTANA, NEW MEXICO, ARIZONA, AND NORTH AND SOUTH DAKOTA. SECONDARY ROADS ARE A MAJOR PART OF THE FEDERAL AID SYSTEM IN THESE AREAS.

I HAVE GIVEN YOU A RATHER SOMBER PICTURE OF THE SECONDARY ROAD SYSTEM, MR. CHAIRMAN, BUT I ALSO HAVE SOME GOOD NEWS. WHILE THE FEDERAL INVESTMENT IN THE SECONDARY SYSTEM HAS REMAINED ABOUT 25% AND THE STATE INVESTMENT HAS DECLINED BY 25%, THE LOCAL GOVERNMENT SHARE PROVIDED BY COUNTIES AND TOWNS HAS RISEN SIGNIFICANTLY. IN ADDITION, MR. CHAIRMAN, IT IS A POPULAR AND NEEDED PROGRAM. THE BALANCE OF FEDERAL SECONDARY ROAD FUNDS LEFT UNUSED IS THE LOWEST OF ALL THE MAJOR HIGHWAY CATEGORIES. FEW OF THE FUNDS

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ARE THREE YEARS OLD, MOST ARE USED IN THE YEAR THEY ARE APPROPRIATED. FINALLY, THE SECONDARY ROAD SYSTEM ACCOUNTS FOR LESS THAN 8% OF THE TOTAL FEDERAL AID HIGHWAY BUDGET, HARDLY AN AMOUNT THAT COULD REMEDY THE IMBALANCE WITHIN THE HIGHWAY TRUST FUND.

THUS, NACo STRONGLY URGES THIS SUBCOMMITTEE AND THE CONGRESS TO RESIST EFFORTS TO ELIMINATE THE SECONDARY ROAD PROGRAM FROM THE FEDERAL AID SYSTEM. IN TERMS OF FUTURE OPTIONS FOR THIS PROGRAM, THE SECOND DESCRIBED IN DOT'S OPTION PAPER HAS THE MOST CHANCE FOR SUCCESS. THIS CALLS FOR AN INCREASE IN THE PROGRAM LEVEL TO COMPENSATE FOR INFLATION.

WHILE NACo HAS GENERALLY SUPPORTED THE BLOCK GRANT APPROACH TO FEDERAL FUNDING, IT WOULD NOT DO SO IF IT IS USED AS A DISGUISE FOR REDUCED FEDERAL FUNDING. THEREFORE, WE WITHHOLD JUDGEMENT ON THE RURAL BLOCK GRANT OPTION SKETCHED BRIEFLY IN THE DISCUSSION PAPER. WE ALSO ACKNOWLEDGE THAT SOME FEDERAL GUIDELINES WOULD ALSO BE NEEDED FOR THE PROGRAM AND DIFFICULT TO DEFINE SATISFACTORILY.

MR. CHAIRMAN, THE FINAL AREA OF CONCERN I WILL ADDRESS IS THE HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION PROGRAM. THE STATE INVENTORY OF BRIDGE REPLACEMENT AND REHABILITATION NEEDS INCORPORATING THOSE FOR THE OFF-SYSTEM SHOULD BE COMPLETE BY THE END OF DECEMBER. CURRENT STATE ALLOCATIONS, BASED ON 1978 FIGURES, REFLECT FEW OF THESE OFF-SYSTEM NEEDS AND URGENTLY REQUIRE READJUSTMENT. THE RESULTS OF A NATIONAL ASSOCIATION OF COUNTIES RESEARCH STUDY COMPLETED LAST JUNE FOR THE FEDERAL HIGHWAY ADMINISTRATION REVEAL THAT COUNTIES OWN AND MAINTAIN 7.5 TIMES THE NUMBER OF OFF-SYSTEM BRIDGES AS DO THE STATES. APPROXIMATELY 30% OF THESE COUNTY OFF-SYSTEM STRUCTURES ARE ELIGIBLE FOR FUNDING BASED ON SUFFICIENCY RATINGS. YET THE NUMBER OF ELIGIBLE COUNTY STRUCTURES THAT HAVE BEEN OR WILL BE FUNDED IN FY79 AND FY80 ARE LESS THAN 1% OF THE TOTAL NUMBER ELIGIBLE. TO GIVE A BETTER PICTURE OF THE RESULTS, MR. CHAIRMAN, I HAVE ATTACHED A TABLE FROM THE NACoR STUDY WHICH BREAKS THESE RESULTS DOWN FOR EACH STATE. (Attachment 3)

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WE HOPE THAT ANY FUTURE HIGHWAY LEGISLATION WILL REQUIRE ANNUAL ADJUSTMENTS OF STATE BRIDGE ALLOCATIONS TO REFLECT ACCURATELY THE REAL NEEDS OF ON-SYSTEM AND OFF-SYSTEM BRIDGES IDENTIFIED BY YEARLY INSPECTIONS.

IN TERMS OF THE OPTIONS MENTIONED IN THE DOT DISCUSSION PAPER, WE ARE INCLINED TO ENDORSE THE STATUS QUO OPTION DESCRIBED ON PAGE 44. THIS IS A NEW PROGRAM ABOUT TO REFLECT THE REAL NEEDS IDENTIFIED BY AN EXTENSIVE INSPECTION PROGRAM.

THE COST-TO-COMPLETE OPTION ALSO DESCRIBED IN THE OPTIONS PAPER WOULD NOT BE ACCEPTABLE TO NACo IF IT MEANS TOTAL EXCLUSION OF OFF-SYSTEM BRIDGES WHOSE SAFETY NEEDS ARE AS CRITICAL AS THOSE ON-SYSTEM AND WHOSE IMPORTANCE TO THE COUNTRY'S AGRICULTURAL ECONOMY AND ENERGY-RELATED TRANSPORTATION IS SIMILAR TO THAT OF SECONDARY ROADS. PRIORITIES SHOULD BE SET, BUT THEY SHOULD BE BASED ON THE CURRENT SUFFICIENCY RATING SYSTEM.

AS FURTHER PROOF OF THE IMPORTANCE OF OFF-SYSTEM BRIDGES, THE SUFFICIENCY RATING USED TO DETERMINE A BRIDGE'S ELIGIBILITY FOR FEDERAL BRIDGE FUNDS INCLUDES NOT ONLY SAFETY AND SERVICEABILITY FACTORS BUT ALSO HOW ESSENTIAL IT IS FOR PUBLIC USE. THIS FACTOR IS DETERMINED BY A COMBINATION OF AVERAGE DAILY TRAFFIC, DETOUR LENGTHS CAUSED BY NOT BEING ABLE TO USE THE BRIDGE AND WHETHER OR NOT IT IS PART OF A DEFENSE HIGHWAY. AT LEAST 15% OF THE SUFFICIENCY RATING IS BASED ON THE ESSENTIALITY FOR PUBLIC USE FACTOR.

FINALLY, MR. CHAIRMAN, WE AT NACo, REPRESENTING OVER 75% OF THE POPULATION OF THE NATION'S COUNTIES, LOOK FORWARD TO WORKING COOPERATIVELY WITH YOU AND THE SUBCOMMITTEE TO STRENGTHEN AND IMPROVE THE FEDERAL AID HIGHWAY PROGRAM. WE ACKNOWLEDGE THE STARK REALITIES OF INFLATING COSTS AND SHRINKING RESOURCES. YET WE REMAIN COMMITTED TO DOING OUR PART IN REAFFIRMING COUNTY GOVERNMENTS' CONTINUED PARTNERSHIP WITH THE STATES AND FEDERAL GOVERNMENT IN MAINTAINING AND COMPLETING OUR NATIONAL HIGHWAY AND BRIDGE SYSTEM.

ATTACHMENT I

WASHINGTON STATE
COUNTY ROAD ADMINISTRATION BOARD
ERNEST GEISSLER P.E., DIRECTOR
206-753-6579
6730 MARTIN WAY, N.E. OLYMPIA, WASHINGTON 98504

June 4, 1980

Dan Murphy, Chairman
Transportation Steering Committee
NACO
1735 New York Avenue N.W.
Washington, D.C. 20006

RE: STEERING COMMITTEE MEETING

Dear Dan:

I regret that I will be unable to participate in the NACO Transportation Steering Committee meeting in Las Vegas on Saturday morning. My room reservations and travel arrangements have already been made on the basis of a Sunday noon arrival and I cannot change these arrangements at this late date.

I'd like to make a comment and suggestion regarding what I consider to be the most important item on the agenda, namely the future of the Federal Highway Program. Our immediate concern in this area is the limitation that has been placed on the rate of obligation of Highway Trust Funds. In our state the Bridge Replacement Program has been particularly impacted by this development to the detriment of all concerned as far as we can tell. After several years of inventory, inspection, program development and design, we finally had our program poised and ready to go into high gear. The Administration action restricting obligation authority has seriously impacted the entire effort.Unless we can get the program reestablished very soon, we will very likely lose a few bridges, we will be laying off county engineering staff, some of the smaller contractors may very likely be going out of business, many construction trades people will be out of work. This is a matter of deep concern and I feel that NACO should take the strongest possible position in prevailing upon the Administration to permit normal and orderly obligation of already authorized Highway Trust Funds.

Enclosed for your information is a copy of a letter from the Chairman of our state's County Road Administration Board which recently went to our two senators and seven representatives in Washington, D.C.

Very truly yours,

ERNEST GEISSLER, DIRECTOR

CC: CRAB Members

Enclosure

WASHINGTON STATE
COUNTY ROAD ADMINISTRATION BOARD
ERNEST GEISSLER P.E., DIRECTOR
206-753-6578
6730 MARTIN WAY, N.E. OLYMPIA, WASHINGTON 98504

ATTACHMENT II

May 27, 1980

The Honorable Warren G. Magnuson
United States Senator
127 Senate Office Building
1010 5th Avenue
Washington, D.C. 20510

Dear Senator Magnuson:

As Chairman of the Washington State County Road Administration Board, I am writing because we are concerned about the future of federal highway funding for the county road systems of this state. We have had excellent cooperation between federal, state and local governments in the administration of federal assistance to county road projects. We hate to see these programs threatened by uncertain funding. As you know, planning and constructing road and bridge improvements takes time and can only progress when schedules can be maintained.

The Federal Bridge Replacement program and Traffic Safety programs (such as the '402' Program) have been exceptionally well administered in Washington and have been of great help to Washington counties addressing real needs to the people of this state. Washington is ahead of most states in these programs because of our inventory, planning and programming for the use of funds through these programs. We would hope that you could assist to see that federal funds to these programs are maintained at adequate levels.

We thank you for your continued interest. You may be sure the counties and people of Washington appreciate your efforts.

Very truly yours,

COUNTY ROAD ADMINISTRATION BOARD

Ray W. Christensen

Ray W. Christensen, Chairman

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FROM COMMUNICATIONS WITH COUNTY GOVERNMENTS
PREPARED BY THE NATIONAL ASSOCIATION OF COUNTIES
RESEARCH FOR THE FEDERAL HIGHWAY ADMINISTRATION

TABLE 5. STATE SUMMARY INFORMATION ON OFF-SYSTEM BRIDGES

State	Number of State Off-System Bridges	Number of County Off-System Bridges	Number of County Off-System Bridges Eligible for Funding	Estimated Number of County Off-System Bridges Selected for Funding	
				FY'79	FY'80
ID	6	1,867	437	13	11
OR	0	3,000 - inc. city	N.A.	8	9
WA	0	2,680	406	89	N.A.
MD	242	1,406	N.A.	5	N.A.
PA	5,831	4,100	1,000	N.A.	N.A.
IL	1,165	1,331	N.A.	96	97
IN	25	11,475	N.A.	266	266
MI	2,435	2,435	N.A.	46	16
MN	25	7,620	N.A.	21	22
OH	451	12,756	3,066	157	N.A.
WI	0	1,268	N.A.	5	N.A.
IA	354	20,000	10,000	21	N.A.
KS	10	13,000	5,600	11	11
MO	600	14,150 - inc. city	11,320	N.A.	7
NE	0	12,375	3,762	65	27
NY	797	7,928 - inc. city	3,612	202	N.A.
NJ	301	1,430	150	2	4
CO	10	4,272	N.A.	0 i&i use	0 i&i use
MT	224	2,400	422	9	N.A.
ND	0	3,818	1,985	12	N.A.
SD	58	4,300	557	5	13
UT	5+	791	N.A.	22	N.A.
WY	N.A.	N.A.	N.A.	N.A.	N.A.
AZ	28	397	259	5	N.A.
CA	1,061	6,600 - inc. city	1,499	20	10
AL	200	6,000	N.A.	32	N.A.
FL	663	1,877 - inc. city	354	N.A.	47
GA	7	7,028	2,700	119	N.A.
KY	3,145	4,451	2,770	0	21
MS	N.A.	9,500	N.A.	0	N.A.
SC	3,550	2,500	2,000	0	N.A.
TN	944 city	8,286	N.A.	N.A.	N.A.
AR	2,073	6,758	5,333	4	12
LA	2,000	N.A.	N.A.	0	N.A.
NM	175	521	198	6	7
OK	354	18,000	8,700	0	2
TX	3,130	17,200	N.A.	0	4
TOTALS	29,869	223,520	66,130	1,241	586

Statement by:

NACo

National Association of Counties

Offices • 1735 New York Avenue N.W., Washington, D.C. 20006 • [redacted]

Bernard F. Hillenbrand, Executive Director

Telephone (202) 783-5113

STATEMENT

OF

DANIEL T. MURPHY

COUNTY EXECUTIVE, OAKLAND COUNTY, MICHIGAN

AND

CHAIRMAN, NATIONAL ASSOCIATION
OF COUNTIES' TRANSPORTATION
STEERING COMMITTEE

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION

SENATE COMMITTEE ON ENVIRONMENT
AND PUBLIC WORKS

ON

THE FEDERAL AID HIGHWAY IMPROVEMENT ACT OF 1981

APRIL 29, 1981

WASHINGTON, DC

STATEMENT OF THE HONORABLE DANIEL T. MURPHY, COUNTY EXECUTIVE, OAKLAND COUNTY, MICHIGAN AND CHAIRMAN, NATIONAL ASSOCIATION OF COUNTIES' TRANSPORTATION STEERING COMMITTEE; ON BEHALF OF THE NATIONAL ASSOCIATION OF COUNTIES BEFORE THE SENATE SUBCOMMITTEE ON TRANSPORTATION, COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS ON THE FEDERAL AID HIGHWAY IMPROVEMENT ACT OF 1980, AND THE U.S. DEPARTMENT OF TRANSPORTATION'S BILL, S.841.

GOOD AFTERNOON, MR. CHAIRMAN, I AM DANIEL T. MURPHY, COUNTY EXECUTIVE OF OAKLAND COUNTY, MICHIGAN AND CHAIRMAN OF THE NATIONAL ASSOCIATION OF COUNTIES' TRANSPORTATION STEERING COMMITTEE* WHOSE VIEWS I REPRESENT TODAY. WITH ME IS ERNEST GEISSLER, DIRECTOR OF THE WASHINGTON STATE COUNTY ROAD ADMINISTRATION BOARD. IN PREPARING OUR TWO PART TESTIMONY, MR. CHAIRMAN, WE HAVE REVIEWED THE SUBCOMMITTEE'S BILL, THE FEDERAL AID HIGHWAY IMPROVEMENT ACT OF 1981, AND THE DEPARTMENT OF TRANSPORTATION'S LEGISLATION, S.841. I WILL DISCUSS THE MAJOR PROVISIONS OF BOTH BILLS IN LIGHT OF THE POLICY DIRECTIONS ADOPTED BY NACo'S TRANSPORTATION STEERING COMMITTEE AND BOARD OF DIRECTORS FOR FUTURE HIGHWAY LEGISLATION. I WILL ALSO INCLUDE SOME SUGGESTIONS, MR. CHAIRMAN, FOR RESTRUCTURING THE FEDERAL AID SECONDARY PROGRAM INTO A RURAL BLOCK GRANT TO GIVE GREATER FLEXIBILITY AND RESPONSIBILITY TO THE LOCAL AND STATE GOVERNMENTS PARTICIPATING IN IT. MR. GEISSLER WILL FOCUS ON THE ISSUE OF CERTIFICATION ACCEPTANCE IN THE SECOND PART OF OUR TESTIMONY. HE IS AN EXPERT IN THE AREA AND IS ACTIVELY INVOLVED WITH ITS IMPLEMENTATION BY COUNTIES IN THE STATE OF WASHINGTON.

INTERSTATE COMPLETION

I WOULD LIKE TO COMPLIMENT THE SUBCOMMITTEE AND THE ADMINISTRATION FOR THEIR DISPLAY OF FISCAL RESTRAINT WITH THE REGARD TO THE INTERSTATE COMPLETION PROGRAM. BOTH BILLS INCLUDE THE COST CUTTING MEASURES REGARDING INTERSTATE SAFETY AND DESIGN STANDARDS THAT NACo ADOPTED AS PRUDENT FISCAL POLICY DURING ITS LEGISLATIVE CONFERENCE. HOWEVER, THE SUBCOMMITTEE BILL SHOWS AN EVEN MORE IMPRESSIVE AWARENESS OF THE NEED TO CONTROL FEDERAL SPENDING BY FURTHER LIMITING THE PROGRAM TO THE COMPLETION OF ESSENTIAL GAPS. THOUGH WE HAVE NOT YET ADOPTED SUCH AN APPROACH AS NACo POLICY, WE ARE GRATEFUL FOR THE SUBCOMMITTEE'S LEADING THE WAY ON THIS ISSUE.

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*THE NATIONAL ASSOCIATION OF COUNTIES IS THE ONLY NATIONAL ORGANIZATION REPRESENTING COUNTY GOVERNMENT IN THE UNITED STATES. THROUGH ITS MEMBERSHIP, URBAN, SUBURBAN AND RURAL COUNTIES JOIN TOGETHER TO BUILD EFFECTIVE, RESPONSIVE COUNTY GOVERNMENTS. THE GOALS OF THE ORGANIZATION ARE: TO IMPROVE COUNTY GOVERNMENT; TO SERVE AS THE NATIONAL SPOKESMAN FOR COUNTY GOVERNMENTS; TO ACT AS A LIAISON BETWEEN THE NATION'S COUNTIES AND OTHER LEVELS OF GOVERNMENT; AND TO ACHIEVE BETWEEN PUBLIC UNDERSTANDING OF THE ROLE OF COUNTIES IN THE FEDERAL SYSTEM.

INTERSTATE RESURFACING RESTORATION AND RESURFACING

WE AGAIN COMMEND THE COMMITTEE FOR ITS EXPANSION OF THE INTERSTATE 3-R PROGRAM TO INCLUDE RECONSTRUCTION AND ITS INCREASED EMPHASIS ON VEHICLE MILES TRAVELED IN THE APPORTIONMENT FORMULA. THE INCREASE IN THE FEDERAL SHARE FOR THIS PROGRAM TO 90% IN BOTH BILLS IS APPROPRIATE, MR. CHAIRMAN, TO ENCOURAGE A GREATER STATE COMMITMENT TO PRESERVE OUR DETERIORATING INTERSTATE SYSTEM.

BRIDGE PROGRAM

WE ARE PLEASED THAT BOTH THE ADMINISTRATION AND THE SUBCOMMITTEE RECOGNIZE THE HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION PROGRAM AS A CONTINUING FEDERAL RESPONSIBILITY AND THAT THE NEW APPORTIONMENT FORMULAS IN BOTH BILLS WILL INCLUDE THE SQUARE FOOTAGE OF OFF SYSTEM DEFICIENT BRIDGES AS WELL AS THOSE ON THE SYSTEM. THOUGH PRIORITIES MUST BE SET FOR BRIDGE REPLACEMENT AND REHABILITATION, NACo HAS NOT YET TAKEN A POSITION ON THIS ISSUE. THE ADMINISTRATION'S FORMULA, GIVING EQUAL WEIGHT TO BOTH OFF AND ON SYSTEM BRIDGE NEEDS, SEEMS PREFERABLE SINCE LESS THAN 1% OF THE OFF SYSTEM STRUCTURES ELIGIBLE FOR FEDERAL ASSISTANCE HAD BEEN FUNDED THROUGH FY'80 AND A LARGE BACKLOG OF OFF SYSTEM AS WELL AS ON SYSTEM NEEDS EXISTS IN MOST STATES. WE APPRECIATE THE SUBCOMMITTEE'S LANGUAGE SPECIFICALLY INCLUDING BRIDGES ON PUBLIC ROADS CLASSIFIED AS MAJOR COLLECTORS IN ITS DEFINITION OF FEDERAL AID ON SYSTEM BRIDGES. THIS ASSURANCE OF CONTINUED ON-SYSTEM STATUS FOR BRIDGES ON THE FEDERAL AID SECONDARY SYSTEM IS ESSENTIAL TO THE COUNTIES. WE ALSO APPRECIATE THE COMMITTEE'S DESIRE TO RAISE THE AMOUNT OF MONEY WHICH CAN BE SPENT ON THE OFF SYSTEM BY REMOVING THE CAP OF 35%. NACo WOULD ALSO LIKE TO SUGGEST AN INCREASE IN THE MINIMUM LEVEL WHICH CAN BE SPENT ON THE OFF SYSTEM TO 25% SINCE THE MINIMUM OFTEN BECOMES THE MAXIMUM MOST STATES ARE WILLING TO INVEST.

INTERSTATE SUBSTITUTION

NEITHER THE SUBCOMMITTEE BILL NOR S.508 HAS PROVIDED AN ADEQUATE LEVEL OF AUTHORIZATIONS TO INSURE THE VIABILITY OF THIS PROGRAM. UNLESS AN ADEQUATE LEVEL OF FUNDING IS ACCORDED TO THE SUBSTITUTE PROGRAM, IT WILL NEVER PROVIDE STATES THE INCENTIVE TO RECONSIDER THE ADVISABILITY

OF COMPLETING REMAINING INTERSTATE SEGMENTS AND TO CONSIDER LESS DISRUPTIVE AND MORE COST EFFECTIVE ALTERNATIVES. THE GOAL OF COMPLETION OF THE INTERSTATE SYSTEM MAY REMAIN UNATTAINABLE UNTIL THIS PROGRAM IS GIVEN GREATER CREDIBILITY THROUGH INCREASED FUNDING.

INCREASED MOTOR FUEL AND HIGHWAY USER TAXES

THIS BRINGS ME TO MY NEXT POINT, MR. CHAIRMAN, THE NEED FOR A RESPONSIBLE INCREASE IN FEDERAL MOTOR FUEL AND OTHER HIGHWAY USER TAXES. AS YOU KNOW, MR. CHAIRMAN, DESPITE FISCAL RESTRAINT OF THE SUBCOMMITTEE'S BILL, FAILURE TO INTRODUCE A MODEST INCREASE IN USER TAXES WILL RESULT IN A DRAMATIC DROP IN THE TRUST FUND'S BALANCE FROM ITS CURRENT \$10 TO \$11 BILLION LEVEL TO POSSIBLY AS LOW AS \$1 ½ BILLION BY 1986. TO JEOPARDIZE THE TRUST FUNDS FUTURE SOLVENCY IN AN ERA OF DECLINING REVENUES AND CONTINUED INFLATION IS UNWISE PUBLIC POLICY IN OUR EYES. THEREFORE, NACo SUPPORTS A RESPONSIBLE INCREASE IN MOTOR FUEL AND OTHER HIGHWAY USER TAXES SUCH AS THOSE ON HEAVY TRUCKS SO LONG AS THE FEDERAL AID HIGHWAY SYSTEM RETAINS FUNDING FOR PUBLIC ROADS INCLUDED IN THE FEDERAL AID SECONDARY AND URBAN SYSTEMS. SUCH AN INCREASE WOULD ENABLE THE FEDERAL GOVERNMENT TO PASS BACK A PORTION TO THE STATES TO FINANCE THE RURAL BLOCK GRANT WE WILL DESCRIBE LATER.

IF, HOWEVER, HIGHWAYS ON THE FEDERAL AID SECONDARY AND URBAN SYSTEMS ARE EXCLUDED FROM FEDERAL FUNDING AS THE ADMINISTRATION PURPOSES, WE WOULD OPPOSE SUCH AN INCREASE SINCE IT WOULD MAKE IT MUCH MORE DIFFICULT TO RAISE THE NEEDED REVENUES AT THE LOCAL AND STATE LEVELS.

FEDERAL AID SECONDARY AND URBAN SYSTEMS

WHILE NACo ACKNOWLEDGES THAT THE PRIMARY FEDERAL INTEREST RESTS WITH THE INTERSTATE, PRIMARY, AND BRIDGE PROGRAMS, WE SUPPORT THE CONTINUATION OF FEDERAL ASSISTANCE FOR THE FEDERAL AID SECONDARY AND URBAN SYSTEMS. AS YOU KNOW, MR. CHAIRMAN, OUR TESTIMONY BEFORE THE SUBCOMMITTEE ON SEPTEMBER 9 OF LAST YEAR CONTAINS A DETAILED DISCUSSION OF THE IMPORTANCE OF THE FEDERAL AID SECONDARY TO THE NATION'S ECONOMIC HEALTH, INTERNATIONAL BALANCE OF TRADE AND ENERGY INDEPENDENCE. WE ASK THAT IT BE INCLUDED IN THE RECORD. WE HEARTILY ENDORSE YOUR EFFORTS TO ASSURE CONTINUED FEDERAL SUPPORT FOR THESE ESSENTIAL RURAL AND URBAN HIGHWAYS AND COMMEND THE SUBCOMMITTEE FOR RETAINING THEM AS PART OF THE FEDERAL AID SYSTEM.

THE IMPORTANCE OF FARM-TO-MARKET ROADS IN TRANSPORTING ESSENTIAL AGRICULTURAL AND ENERGY

RELATED COMMODITIES WILL BE FURTHER INCREASED IF EFFORTS TO TERMINATE THE LOCAL RAIL ASSISTANCE PROGRAM IN 1982 SUCCEED. AS YOU MAY KNOW, MR. CHAIRMAN, THIS PROGRAM ENABLES LOCALITIES AND SHIPPERS TO CONTINUE NEEDED RAIL FREIGHT SERVICE THROUGHOUT THE NATION'S AGRICULTURAL AND ENERGY PRODUCING REGIONS. RAILROADS STILL HANDLE OVER 70% OF COAL TON-MILES AND 60% OF GRAIN TON-MILES DESPITE INCREASING NUMBERS OF ABANDONMENTS. THE IMMEDIATE TERMINATION OF THE LOCAL RAIL ASSISTANCE PROGRAM COMBINED WITH PROPOSED CONRAIL CUTBACKS WILL ACCELERATE UTURE RAIL ABANDONMENTS AND PUT INCREASING NUMBERS OF HEAVY TRUCKS ON ALREADY DETERIORATING SECONDARY ROADS. THIS MAKES THE ADMINISTRATION'S PROPOSED PHASE OUT OF THE SECONDARY PROGRAM EVEN MORE BURDENSOME TO LOCAL AND STATE GOVERNMENTS. THEY COULD THEN BE FACED WITH FINANCING THE TOTAL COSTS OF REPLACING UP TO 90% OF THE NATION'S SECONDARY ROAD MILEAGE EVEN BEFORE THE 1990 DATE PREDICTED IN DOT'S STATUS OF THE NATION'S HIGHWAYS REPORT BECAUSE OF SUBSTANTIALLY INCREASED HEAVY TRUCK TRAFFIC. THEREFORE, NACo REAFFIRMS ITS STRONG SUPPORT FOR THE SUBCOMMITTEE'S INCLUSION OF FEDERAL AID RURAL AND URBAN PROGRAMS IN ITS HIGHWAY REAUTHORIZATION LEGISLATION. WE WILL DEFER TO OUR COLLEAGUES FROM THE U.S. CONFERENCE OF MAYORS AND THE NATIONAL ASSOCIATION OF REGIONAL COUNCILS FOR SPECIFIC COMMENTS ON THE FEDERAL AID URBAN PROGRAM BUT WE WOULD LIKE TO OUTLINE SOME SUGGESTIONS FOR A RURAL BLOCK GRANT PROGRAM AND COMMENT ON THE FEDERAL AID RURAL PROVISIONS IN THE SUBCOMMITTEE BILL.

RURAL BLOCK GRANT

A. CONSOLIDATION OF PROGRAMS.

THE FOLLOWING PROGRAMS COULD LOGICALLY BE INCLUDED IN AN EXPANDED RURAL PROGRAM WHICH WOULD PROVIDE STATE AND LOCAL GOVERNMENTS WITH GREATER FLEXIBILITY TO MEET A WIDER RANGE OF NEEDS. THESE PROGRAMS INCLUDE:

- THE FEDERAL AID SECONDARY
- ECONOMIC GROWTH CENTERS
- GREAT RIVER ROAD
- ACCESS TO LAKES
- THE SAFER OFF SYSTEM
- BRIDGES ON FEDERAL DAMS

THESE HIGHWAY PROGRAMS IMPACT PRIMARILY RURAL AREAS AND PURSUE GOALS WHICH ARE BASICALLY

COMPATIBLE WITH THE EXISTING SECONDARY SYSTEM.

THE COMMITTEE PROPOSAL TO ALLOW THE USE OF RURAL HIGHWAY FUNDS FOR NONURBANIZED PUBLIC TRANSPORTATION IS NOT ADVISABLE IN NACo'S VIEW SINCE THE AUTHORIZATION LEVELS PROPOSED IN THE COMMITTEE BILL ARE BARELY HIGH ENOUGH TO MEET THE NEEDS OF THE EXISTING SECONDARY PROGRAM. IT WOULD ALSO DUPLICATE THE PURPOSE OF THE SMALL URBAN AND RURAL PUBLIC TRANSPORTATION PROGRAM AUTHORIZED IN THE URBAN MASS TRANSPORTATION ACT. THIS DOES NOT MEAN THAT NACo PLACES A LOW PRIORITY ON RURAL PUBLIC TRANSPORTATION. ON THE CONTRARY, NACo POLICY GIVES IT SUCH IMPORTANCE THAT TO MIX ITS UNIQUE AND EXPANDING NEEDS WITH THOSE OF RURAL HIGHWAYS WOULD IN OUR ESTIMATION, NEEDLESSLY WEAKEN AND DILUTE BOTH PROGRAMS.

THE COMMITTEE FEDERAL AID RURAL PROGRAM WOULD ALSO EXPAND THE PROGRAM TO INCLUDE MINOR AS WELL AS THE MAJOR COLLECTORS THAT CURRENTLY MAKE UP THE FEDERAL AID SECONDARY SYSTEM. THIS WOULD ALMOST DOUBLE THE MILEAGE OF RURAL ROADS ELIGIBLE FOR FEDERAL ASSISTANCE FROM ABOUT 400,000 TO APPROXIMATELY 700,000 MILES. THIS ADDED FLEXIBILITY WOULD BE COMPATIBLE WITH THE ALREADY EXISTING PROGRAM BUT REQUIRE A HIGHER AUTHORIZATION LEVEL THAN THE COMMITTEE HAS SUGGESTED. THE ADMINISTRATION'S 1982 AUTHORIZATION LEVEL OF $700,000,000 COULD BE A BEGINNING POINT WITH YEARLY INCREASES TO COMPENSATE FOR INFLATION. IF AN ADEQUATE LEVEL OF FUNDING IS NOT POSSIBLE DUE TO BUDGETARY CONSTRAINTS, THE TARGETING OF FUNDS WOULD BE AN ESSENTIAL MINIMUM TO KEEP THE PROGRAM FOCUSED ON HIGHER PRIORITY ROAD NEEDS. APPROXIMATELY 70% OF THE FUNDS WOULD NEED TO BE SET ASIDE FOR PROJECTS ON THE MORE HIGHLY TRAVELED, MAJOR COLLECTORS CLASSIFIED AS PART OF THE OLD FEDERAL AID SECONDARY PROGRAM. THIS WOULD ASSIST LOCAL OFFICIALS IN TARGETING FUNDS TO HIGHEST PRIORITY PROJECTS.

B. LOCAL DECISIONMAKING ROLE

SINCE THE FEDERAL ROLE WOULD BE PRESERVED, CONGRESS WOULD CONTINUE TO SET THE FUNDING LEVEL FOR AN EXPANDED RURAL PROGRAM THROUGH ITS AUTHORIZING AND APPROPRIATIONS LEGISLATION AND CONTROL ANNUAL EXPENDITURES THROUGH OBLIGATION CEILINGS. NACo ALSO PROPOSES THAT LOCAL OFFICIALS HAVE A GREATER ROLE IN SELECTING THE PROJECTS WHICH WOULD BE FUNDED. IN A ERA OF CONSTRAINED RESOURCES, EXPANDED NEEDS AND CONTINUED INFLATION FOR THE FORESEEABLE FUTURE, THERE IS A NEED FOR DECENTRALIZED DECISIONMAKING BY LOCAL OFFICIALS WITH A BETTER GRASP OF WHAT THE REAL PRIORITIES AND MOST PRESSING NEEDS ARE. IF THE LIMITATIONS ON FUNDS AVAILABLE TO THEM ARE CLEAR TO LOCAL OFFICIALS, AS IN THE STATE OF WASHINGTON WHERE EACH COUNTY RECEIVES A DEFINITE ALLOCATION OF SECONDARY ROAD FUNDING EACH YEAR, LOCAL OFFICIALS WILL MAKE RESPON-

SIBLE AND INFORMED CHOICES ABOUT THE PROJECTS FOR WHICH THEY USE THEIR LIMITED FUNDS. IF, HOWEVER, THE DECISIONS ABOUT FUNDING AVAILABLE FOR LOCAL JURISDICTIONS AND THE INDIVIDUAL PROJECTS TO BE IMPLEMENTED ARE MADE PRIMARILY AT THE STATE LEVEL, THEN LOCAL OFFICIALS ARE UNABLE TO EXERCISE THEIR RESPONSIBILITY TO MAKE TOUGH CHOICES ABOUT WHICH PROJECTS ARE PRIORITIES AND WHICH CAN REASONABLY BE FUNDED WITH LIMITED RESOURCES. THIS KIND OF SITUATION LEADS TO CONFRONTATION RATHER THAN COOPERATION AND INVOLVES ALREADY OVERBURDENED STATES IN NEEDLESS CONFLICTS WHICH WASTE THEIR TIME AND RESOURCES. THEREFORE, I WOULD LIKE TO PROPOSE THE FOLLOWING LANGUAGE TO FACILITATE THE LOCAL DECISION MAKING ROLE FOR THE RURAL BLOCK GRANT PROGRAM:

> IN THE STATES WHERE THE COUNTIES HAVE RESPONSIBILITY FOR RURAL ROADS, THE STATES SHALL BE REQUIRED TO PASS THROUGH OR SUBALLOCATE TO COUNTIES AT LEAST 50% OF THE AMOUNT OF MONEY AVAILABLE TO THEM FOR THE FEDERAL AID RURAL PROGRAM. THE STATES SHALL ALSO ALLOCATE FUNDS TO COUNTIES IN A FAIR AND EQUITABLE MANNER AND, WHERE STATE AND LOCAL OFFICIALS IN COOPERATION JUDGE IT APPROPRIATE, THE STATE SHALL INDICATE, IN ADVANCE, TO COUNTIES THE AMOUNT OF FUTURE RURAL FUNDS WHICH WILL BE ALLOCATED TO THEM.

A FURTHER STRENGTHENING OF THE DECISION MAKING ROLE OF LOCAL OFFICIALS COULD BE ACCOMPLISHED BY ADOPTING THE CURRENT FAUS LANGUAGE TO THE NEW RURAL PROGRAM AS FOLLOWS:

> PROJECTS TO BE IMPLEMENTED UNDER THE FEDERAL AID RURAL PROGRAM SHALL BE SELECTED BY APPROPRIATE LOCAL ELECTED OFFICIALS SO AS TO CARRY OUT THE GOALS AND OBJECTIVES OF THE COMMUNITIES THEY SERVE OR REPRESENT INCLUDING BUT NOT LIMITED TO THE PRESERVATION OF FARM TO MARKET, COUNTY AND TOWNSHIP ROADS, RURAL MAIL AND SCHOOL BUS ROUTES, ROADS PROVIDING ACCESS TO AIRPORTS AND PUBLIC RECREATION AREAS ON LAKES, THE IMPROVEMENT OR RECONSTRUCTION OF OFF-SYSTEM ROADS WITH THE CONCURRENCE OF THE STATE HIGHWAY OR TRANSPORTATION DEPARTMENT.

THIS PROPOSAL WOULD GIVE LOCAL OFFICIALS GREATER RESPONSIBILITY IN SELECTING THE PROJECTS FUNDED UNDER THE RURAL PROGRAM AND ASSISTING THE STATES IN MATCHING THE FEDERAL MONIES AVAILABLE. WE HAVE SAMPLED SOME OF OUR MEMBERSHIP

TO OBTAIN THE AVERAGE PROPORTION OF LOCAL REVENUES WHICH ARE EXPENDED ON FEDERAL AID SECONDARY PROJECTS. THE PROPORTIONS RANGE FROM 17% TO 25%. WE ARE ALSO WILLING TO DO A MORE THOROUGH SURVEY OF OUR TRANSPORTATION STEERING COMMITTEE MEMBERSHIP TO DETERMINE MORE PRECISELY CURRENT LEVELS OF LOCAL FINANCIAL REVENUES DEDICATED TO THESE PROJECTS AND WHETHER INCREASES IN THE LOCAL SHARE ARE POSSIBLE. IN THIS SURVEY WE WILL ALSO INCLUDE A QUESTION ON THE IMPACT OF CHANGING THE MATCHING FORMULA FROM 75%/25% TO 50%/50% AS THE COMMITTEE PROPOSES. OUR PRELIMINARY FINDINGS INDICATE THAT THIS WOULD BE UNACCEPTABLE AND RESULT IN FEW PROJECTS BEING IMPLEMENTED. AGAIN A MORE COMPLETE SURVEY WOULD PROVIDE US WITH A BETTER PICTURE OF WHAT THIS WOULD MEAN TO COUNTIES NATIONWIDE.

CERTIFICATION ACCEPTANCE

FINALLY, I WANT TO COMMEND THE SUBCOMMITTEE FOR ITS EMPHASIS ON THE CERTIFICATION ACCEPTANCE PROCESS IN ITS BILL. THIS IS AN ISSUE OF GREAT IMPORTANCE TO COUNTIES BECAUSE OF ITS POTENTIAL FOR REDUCING RED TAPE AND PREVENTING COSTLY PROJECT DELAYS. THE LANGUAGE IN YOUR BILL PERMITTING A MORE FLEXIBLE APPROACH TO THE REQUIREMENT FOR A FINAL FEDERAL INSPECTION OF EACH PROJECT IS WELCOMED. THE EXPANSION OF THE PROCESS TO A WIDER RANGE OF PROJECTS IS ALSO ACCEPTABLE TO COUNTIES. A GREATER RELIANCE ON ADEQUATE STATE LAWS TO IMPLEMENT ENVIRONMENTAL, LAND ACQUISITION AND UNIFORM RELOCATION REQUIREMENTS ALSO SEEMS ADVISABLE THOUGH WE WILL WANT TO GIVE THIS FURTHER CONSIDERATION. I WILL NOW CALL ON MY COLLEAGUE MR. ERNEST GEISSLER FOR HIS ANALYSIS OF THE BENEFITS AND NEEDED REVISIONS IN EXISTING CERTIFICATION ACCEPTANCE PROCEDURES.

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association
of regional
councils

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RICHARD C. HARTMAN, Executive Director

TESTIMONY

of

RUTH KEETON

Howard County Council, Maryland

Chairman, NARC Transportation Policy Committee

on Behalf of

NATIONAL ASSOCIATION OF REGIONAL COUNCILS

Before the

SUBCOMMITTEE ON TRANSPORTATION

SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORK

April 21, 1982

Washington, D.C.

Mr. Chairman, members of the Subcommittee, I am Ruth Keeton, of the Howard County, Maryland Council and Chairman of the National Association of Regional Councils' Transportation Policy Committee, which is comprised of local elected officials representing regional councils.

I appreciate this opportunity to comment on your bill, S. 2315, which would reauthorize the Federal-aid highway programs to FY 1987 and extend the Highway Trust Fund until 1990.

The National Association of Regional Councils was initiated in 1967 to assist local government elected officials in organizing a rapidly growing number of regional councils. Regional councils for the most part are substate districts of general purpose local governments which encompass a total regional community. They exist in both metropolitan and rural areas. Over 650 regional councils have been established to deal with areawide problems. Approximately 160 large metropolitan regional councils with SMSA's of 50,000 or more in population are designated as Metropolitan Planning Organizations. As MPOs, they are public agencies responsible for urban transportation planning of highways, mass transit and airport systems.

The NARC Transportation Policy Committee has met on numerous occasions during the past two years to develop policy on the future of the highway program and trust fund.

Last April we testified before your Subcommittee urging the passage of a multi-year highway bill and an increase in highway user fees. Although only a one-year bill was enacted into law, we are pleased that it included elements which we support. These important provisions include a redefinition of the essential elements for the completion of the Interstate system reducing the cost to complete from more than $53 billion to $38 billion and a shift towards maintenance by substantially increasing the 4R program. We are here again before your Subcommittee, Mr. Chairman, to urge the enactment of a multi-year highway bill and an increase in trust fund revenues to meet our highway needs.

FINANCING

NARC has been long supporting an increase in highway user fees and last month we wrote to the President urging his support for the 5-cent increase in gasoline user fees with a penny earmarked for mass transit. We believe that this additional highway revenue source which must be dedicated to the Highway Trust Fund is necessary if we are to complete our interstate system and adequately maintain our highway infrastructure. Further, we support your efforts, Mr. Chairman, in planning to schedule a series of hearings this spring and summer on the cost allocation study upon its release from the Department of Transportation and user fee increases. We are convinced that deferring capital improvements and maintenance of our highways will only exacerbate our present economic situation.

INTERSTATE TRANSFERS AND SUBSTITUTION PROJECTS

NARC supports your bill which allows the Highway Trust Fund to be earmarked for highway projects on interstate transfers and substitution projects as a mechanism for completing interstate commitments. The Department of Transportation should treat all urbanized areas equally as they deliberate over possible transfers. However, we are concerned that the funding levels are indequate if these commitments are to be realized by 1986.

FEDERAL AID URBAN SYSTEMS

NARC strongly supports S. 2315 which would continue Federal funding for the urban systems through a consolidated urban block grant program at $700 million per year through 1985 and $600 million in 1986. The Federal government must continue to protect its public works investment through the construction and maintenance of local urban systems.

While we applaud your support for the urban systems program we are concerned that the local match would be substantially increased from 25 to 50 percent or twice what it is under current law. As I have stated previously before your Subcommittee, many local jurisdictions simply do not have the funds to adequately make up the loss of Federal dollars. A 100 percent increase in the local match for FAUS in the next fiscal year will cause serious financial problems in some urbanized areas which have already programmed urban systems projects for fy '83 under the existing law.

The need for capital improvements on our urban highways exists. According to Department Transportation statistics, it is estimated that an investment of $82-84 billion will be required in urban areas by 1995 to preserve the existing system at 1978 conditions. Even under the current levels of funding and existing law, less than half of that investment will be realized in the future.

NARC is pleased that your bill continues to provide a strong partnership role between the States and local governments in the urban block grant approach.

We support the language which does not waiver the present Section 134 planning process. Section 134 allows for comprehensive, cooperative and coordinated urban transportation planning by local governments through the Metropolitan Planning Organization (MPOs). The MPO process is a vital element in urban transportation planning and has been the mechanism for allowing local elected officials to jointly work together to plan and make priorities for their transportation systems in their region.

CERTIFICATION OF STATE PROCEDURES

S. 2315 seeks to reduce costly delays on highway projects by expanding coverage of certification acceptance to the State. The Secretary would be required to submit a report to Congress containing recommendations for permitting more widespread use of expanded certification acceptance. We urge that the Department of Transportation consider that the certification of the adequacy of the area's urban transportation planning process be accomplished through a joint determination process by the State and designated MPO, based upon federal performance criteria. We recommended that certification be made under objective guidelines established by the Secretary and be made no more frequently than every two years unless the Secretary can demonstrate that state or local conditions warrant a more frequent review. Finally, the federal review of the adequacy of certification should consist of a finding that the certification was made pursuant to the Secretary's guideline. The Department of Transportation should not be in a position to make value judgments on the products or quality of the decisions made in the cooperative planning process.

I appreciate the opportunity to testify today on this important issue facing the Congress, and I would be glad to answer any questions that members of the Subcommittee may have.

STATEMENT
OF
MARY SHERWOOD HOLT, COUNCILMEMBER, NEWPORT NEWS, VIRGINIA
FOR THE
NATIONAL LEAGUE OF CITIES

APRIL 21, 1982

Mr. Chairman and members of the Committee, my name is Mary Sherwood Holt, Councilmember of Newport News, Virginia, and a member of the National League of Cities Steering Committee on Transportation and Communications. I am testifying this morning on behalf of the National League of Cities, whose membership is composed of about 15,000 direct and indirect member cities, ranging in size from as small as Burley, Idaho, to as large as our steering committee chairman's city of Los Angeles.

I am grateful for the opportunity to testify about the legislation you have sponsored, Mr. Chairman. To being with, we appreciate your leadership in submitting the legislation at a time when the easier route would be to defer any action pending recommendations by the administration. At a time when the current Highway Trust Fund is woefully inadequate to prevent further deterioration of our aging surface transportation infrastructure, your task is even more difficult.

Background

There is all too ample evidence of our decaying highway system. As you stated recently, further deferral of capital improvements and maintenance will adversely affect our national transportation system and impede chances for any economic recovery. Moreover, as the cost of new highways in urban areas--even where such construction is physically possible--has become prohibitive, preserving our existing urban systems will be critical.

The local highway responsibility is significant. For example, the state of Georgia has more than 100,000 miles of roads and streets, of which only about 18,000 are a state responsibility. The balance, some 72,000 miles, fall to cities and counties. In terms of cost, the example of the city of Arvada, Colorado gives some idea of the problem which confronts us at the local level. Arvada, a city of about 85,000, has an immediate need for $38 million worth of capital highway construction. Within the next five years, it will need an additional $25 million for such projects. When other highway improvements, such as bridges, traffic signals, and upgrading of gravel streets are included, the city's highway program needs for the next five years will exceed $90 million --or more than $1,000 per resident.

Concurrently, reductions in federal funds cities have traditionally relied on for capital highway improvements--such as EDA and Community Development Block Grant funds--have further reduced urban fiscal capacity to meet these capital requirements. Likewise, cutbacks in federal capital grants for wastewater treatment, mass transit, airports, economic development, highway construction, and multi-family housing are forcing local governments to increase capital borrowing to meet these most basic infrastructure needs. Such borrowing needs, coming at a time of exceptional interest rates, are hardly conducive to investment requirements.

In fact, as Merrill Lynch disclosed in its survey entitled "Effects of the Reagan Administration's Economic Recovery Plan on the Credit Standing of State and Local Governments:"

> In sum, while most governments are adversely affected, cities, in particular, are in a double bind. If they increase taxes to maintain services, the middle class and business may flee. If instead, such services as mass transit are cutback, or fares raised to fully reflect the cost of operations, the same result--flight--may occur anyway. Cities may also face revenue shortfalls from the reduction in federal grants and transfer payments. The revenue loss could come in the form of delinquent real estate taxes, reduced sales and use taxes, cigarette and alcohol taxes, and lottery receipts. As delinquent real estate taxes rise, services may tend to decline and local economies may stagnate.

In short, local economies are particularly vulnerable and ill-equipped to go to the bond market today just to make up for lost federal grants. Cities are even less able to find additional revenues to meet acknowledged capital needs. As the same Merrill Lynch report advised, many state and local tax structures are at or near their economic limits. Raising local taxes to make up for a reduced role might well be counterproductive.

Federal Role for the Secondary and Urban Programs

These city fiscal problems bear on the issue of the appropriate federal role in the urban and secondary highway programs. First, it is clear that cities, especially those bearing the brunt of the current recession, and ill-equipped to abruptly assume previously held federal obligations as the administration has proposed. Secondly, the issue requires examining to what extent our current highway program reflects urban subsidies of the federal system.

For, while the Federal Highway Administration has called for the termination of federal aid to the urban and secondary systems, at the same time, it has maintained that we have a national user fee system. To the extent we are discussing user fees, rather than general revenues, it seems to us that there is a very different question involved. If, indeed, there is a federal role in the interstate system--whether it be for defense purposes, or interstate commerce--then one must question why users--of whom a predominant number reside and drive in urban areas--should bear the full cost of providing benefits which accrue to the entire public. And then, why must these same users be forced to pay once again through property taxes for the very highways they use?

A user fee system is based upon the assumption that users will proportionately and equitably benefit according to their contributions. If we wish to continue to maintain our nation's surface highway system through the Highway Trust Fund, then equity would appear to assure that urban and secondary contributors should receive benefits equal to the tax levied upon them.

In this context of the federal interest, Mr. Chairman, a second issue must be raised. The administration, while proposing severe reduction in the Highway Trust Fund for cities for transportation and safety projects, has supported a number of efforts to preempt state and local control over what equipment travels over city, county, and state highways. Thus, as city officials, we must begin to anticipate heavier, wider, longer trucks on our highways which will aggravate maintenance, reconstruction, and safety costs. We must anticipate that these trucks will be carrying hazardous and nuclear materials which will require much higher state and local costs to respond to accidents. The firestorm created in the tunnel near Oakland, California, earlier this month is a warning of what deteriorating infrastructure and reduced state and local ability to prevent highway tragedies will augur.

Therefore, in our view, we believe that the appropriate federal role for the secondary and urban program is to make a full assessment of what the nation's highway needs are to apportion fairly the users fees raised in a manner corresponding to the contributors. Where the federal government perceives an overriding federal interest for defense or interstate commerce needs, users should not be forced to subsidize this interest. Rather such funds should be paid for out of federal revenues. Moreover, where the federal government preempts state and local law and regulations in a manner which creates increased state and local costs, the federal government should bear that new responsibility.

Consequently, we do commend your proposal in S. 2315 to retain the urban and secondary programs. But the reduced federal share creates concerns. Whereas states derive 92 percent of their highway revenue from user taxes, local governments derive only 26 percent. Moreover, many cities are prevented by state legislatures from creating local dedicated revenue sources such as a gas tax for urban transportation needs. Thus, local highway and safety needs may normally be met only through property taxes on which there are the constraints I enumerated previously. A 100 percent increase for local governments for urban and secondary highway financing would force severe reductions in the number of urban projects at a time when cities can least afford to defer infrastructure maintenance.

In this context, we have an additional concern. The recession has had a variable impact upon the nation. Therefore, any proposal which will require a significantly greater local match creates the possibility of providing economic benefits to those cities who have experienced the least adverse economic impacts at the expense of those cities which have suffered the most. Such action might have the unintended effect of aggravating those distressed cities' problems.

Transferability

S. 2315 includes a provision to permit transfers of up to 100 percent of apportionments instead of the current 50 percent. The intent of the provision is to attempt to permit better prioritizing of scarce capital resources. The transfers would require approval of local officials of urbanized areas from which the funds are to be transferred.

Although we share the concern to target funds, where possible, to highest priorities, we are apprehensive about the proposed statutory change. Despite the necessary requirement of local concurrence for larger urbanized areas, such areas are in an unequal bargaining position with the respective state. In some states, city officials are not advised which highway funds they are receiving are FAUS funds. In others, city elected officials have long found that local transportation priorities have been virtually ignored. Given the significant state authority over funds vital to local governments, we believe this provision would result in further reductions in highway funds for all localities then even the levels authorized by Congress.

We would, instead, recommend that the Committee consider allocating urban funds directly to large cities so that these areas may determine specific project priorities within their jurisdictions. For medium and smaller cities, urban highway funds should be allocated to the metropolitan planning organization (MPO) which would determine project priorities in consultation with the local governments within their jurisdiction. These changes would make the proposed transferability provisions more meaningful and less subject to potential inequities.

As local governments assume greater and greater responsibilities for their own infrastructures, we believe that they should be permitted to manage the process and construction of local projects in accordance with our own needs and priorities, with the state and local government assuming only a review and certification role. Even our small city survey to cities of less than 50,000 encountered considerable support for eliminating state administration of federal urban aid programs and allowing local governments to determine priorities and applicable standards, subject to federal review. We believe we should be treated not just as contributors, but as full and equal partners in meeting the nation's surface transportation needs.

In closing, Mr. Chairman, I would like to thank you and your staff for your willingness to seek our views and suggestions. We are grateful, and I would be happy to respond to any questions you might have.

NATIONAL WILDLIFE FEDERATION
1412 Sixteenth Street, N.W., Washington, D.C. 20036 202—797-6800

TESTIMONY OF DAVID G. BURWELL
DIRECTOR OF SPECIAL PROGRAMS
RESOURCES CONSERVATION DEPARTMENT
NATIONAL WILDLIFE FEDERATION
BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION
OF THE
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
ON S. 2315, FEDERAL-AID HIGHWAY ACT OF 1982

April 21, 1982

The National Wildlife Federation (NWF), with over 4.0 million members and supporters, is the nation's largest grass-roots organization dedicated to the wise use and conservation of the nation's natural resources. With affiliate organizations in each of the fifty states, NWF reflects a broad cross-section of state, local, and national interests. We are pleased to testify before this Committee today on S. 2315, the Federal-Aid Highway Act of 1982, and commend you, Senator Symms, for your particular interest in this proposed legislation.

The highway legislation before this Committee cannot be evaluated in isolation from the critical budget issues facing this Congress. The National Wildlife Federation is as concerned as any member of this Committee with the state of the federal budget. The shock to the financial underpinnings

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of our economy resulting from a $100+ billion deficit in FY 1982 and a $180+ billion deficit in FY 1983, given the fact that over $100 billion of the federal budget is already dedicated to interest payments on the federal deficit, would be trully horrific. While NWF shares, in equal measure with other business organizations, the strains that such deficits place on its business activities, it suffers doubly from the fact that NWF's business is the conservation of our natural resources. This Committee is well aware of the fact that, when the budget is cut, the discretionary natural resource and environmental programs suffer disproportionately compared to entitlement programs and defense. It is therefore doubly to our advantage to develop proposals to reduce the budget deficit.

Nor can the highway legislation before this Committee be evaluated in isolation from the present condition of our national highway system. This highway system, like the federal budget, suffers from years of deferred maintenance--deficit spending in terms of our collective failure to pay the true cost of maintaining the system as we use it. The estimates presented to this Committee by FHWA and other witnesses on the cost of rehabilitating our highways to acceptable standards runs in the billions of dollars each year. Upon introducing this legislation, Senator Symms estimated interstate 4R needs at $20 billion and bridge replacement needs at $47 billion. Yet this bill is coming due at precisely the time that the federal government can least afford it.

This is prologue to a recommendation that is ambitious but not new, a proposal that combines the plan for reorganization of the U.S. Department of Transportation advanced by the Carter Administration with the "new federalism" of the Reagan highway program. Simply put, it is time to seriously consider the termination of the Federal-Aid Highway Program as a construction grant program altogether and to evaluate the costs and benefits of merging FHWA and UMTA into a unified Surface Transportation Agency (STA). The STA would concentrate on maintaining the existing physical system while providing technical assistance and leadership to the states in promoting transportation system management (TSM) improvements to existing highway and transit systems. It could also provide technical assistance to state-funded capital programs. It would vastly reduce a 5,000-person FHWA staff that, very frankly, is obsolete. This highly professional staff was assembled to implement the most ambitious public works program ever undertaken by this nation, or any industrialized nation: the construction of over 300,000 miles of interstate and other federal-aid highways to meet our national defense, commercial, and personal transportation needs. It has done its job well. But the time has come to recognize the truth of the adage that "the institutions that men create for their own salvation inevitably end up enslaving them." It is the innate wisdom behind this observation that swept President Reagan into office and it is time to apply this observation to our highway program. Failure to do so, failure to evaluate our highway program in light of public priorities in 1982--not 1956--will almost certainly lead to the accelerated deterioration of our existing national transportation infrastructure, spiraling deficits, and a public increasingly annoyed at a government that cannot get its own house in order.

Termination of the capital construction program of the Federal-Aid Highway System is not a radical idea. When first enacted in 1956, the Interstate System was scheduled for completion in 1972 at an estimated cost of $27 billion. We now have crossed the $70 billion threshold and still have an estimated cost-to-complete of $38 billion--$11 billion more for the last 4 percent than was estimated for the entire system twenty-six years ago. And this $38 billion is itself a "no-frills" estimate that was enacted last December in the face of a $53 billion cost-to-complete under pre-existing eligibility requirements.

The need to shift gears entirely out of the capital program is underscored further by Senator Symms' estimate of existing Interstate 4R and bridge replacement needs of $67 billion. Even at the vastly increased level of funding--totaling $1.8 billion in FY 1983--proposed for these two programs in S. 2315, unless highway construction costs increase at an annual rate of less than three percent, the total cost of repair will increase this year. Given a historical trend of well over 10 percent annual increases in the highway construction cost index, a three percent growth rate is unrealistic. Frankly, this proposed legislation will not make a dent in the accelerating cost of maintaining our existing highway system. By switching entirely to a maintenance posture, the federal government could finally get ahead of the highway deterioration problem and, in the process, substantially reduce the federal payroll.

That is my main point. My comments on the specifics of the proposed bill should not be interpreted to detract from this point. Nevertheless, more detailed comments on the specifics of S. 2315 are appropriate.

Basically, S. 2315 is a good bill. It is moderate in tone, recognizes the necessity of a stronger federal commitment to 4R and the bridge program, and promotes flexible use of federal transportation assistance. However, as always, there is room for improvement. I will first address the topics on which comment was requested by this Committee and then offer a few improvements of particular interest to NWF.

1. Interstate 4R and the Apportionment Formula

We support the increased emphasis on 4R and the broadening of 4R eligibility to include fringe and corridor parking facilities (Section 119). Any interstate construction within beltways will be highly problematical in the future and all measures which reduce long-term traffic forecasts for urban interstate corridors should be encouraged. However, we do not support the optional transfer of the 4R apportionment to the capital account as allowed by Section 107. This will encourage states to place capital construction ahead of rehabilitation and exacerbate the long-term maintenance problem. Given the fact that FHWA places annual 4R needs at over $1.6 billion, there is no need for this transfer provision. We also support retention of the existing 4R apportionment formula, which allocates rehabilitation funds where they are most needed--where travel occurs--slightly better than the proposal contained in the Committee bill.

2. The Federal Role in the Urban and the Secondary Programs

We strongly support continuation of the federal role in the federal-aid urban (FAUS) program. Last year we opposed the proposal to broaden the eligibility requirements to all public roads in urban areas, whether or not they were on the federal-aid system, on the ground that this would drain funds from innovative TSM projects to fill potholes. Upon reflection, however, and in light of the strong federal interest in maximizing state flexibility, we support the even broader eligibility language contained in Section 110. Hopefully, these relaxed eligibility requirements will encourage local officials to fully integrate urban highway projects into broader community development planning activities. As for the reduction in the federal share in the FAUS program from 75 percent to 50 percent proposed by Section 131, this will clearly inhibit the use of such apportionments for public mass transportation projects under 23 U.S.C. Section 142, since UMTA funds may be available for such projects at a much higher federal share. Without increasing the total federal apportionment, we propose that FAUS funds transferred to bus and transit projects eligible for funding under the Urban Mass Transit Act be made available at the same federal ratio provided by UMTA. This would encourage project selection on the basis of merit rather than on the basis of the matching federal share.

Healthy urban transportation systems promote federal interests. By attracting development to urban centers, they increase the profitability of transit systems, reducing the need for federal operating assistance. By promoting energy-efficient traffic patterns, they reduce demand for oil imports. Moreover, well-maintained roadways are up to thirty percent more energy-efficient than deteriorated systems that require repeated speed changes to avoid potholes and other hazards. By focusing development on the existing infrastructure, the FAUS program reduces demand for ancillary federal subsidies to spread development. It simply makes more sense to maintain highway systems in place for people in place than to let these systems deteriorate. Therefore, in our view, continued federal participation in the FAUS program is exceeded in importance only by the 4R and bridge replacement programs. Interstate capital, primary capital, and the secondary road program all pale in importance compared to this program.

3. Transferability

While NWF does not support the transferability of rehabilitation funds to capital projects, we fully support increased transferability among capital programs. This includes the proposed transferability of virtually any interstate highway upon request of the state government or governments involved (Section 108(b)), the transferability of FAUS funds among urban areas within a state (Section 123), and the complete transferability of funds between the primary, urban, and rural programs at local option (Section 112). All these changes encourage states to program projects on the basis of statewide needs rather than on the basis of the availability of federal assistance. While there is a danger that increased transferability will allow federal assistance to flow into projects of marginal federal interest, it is our prediction that urban highway needs are so extensive that the net flow of transferred funds will be towards the urban programs.

On the other hand, we oppose the proposed cap on interstate transfers under Section 103(e)(4) of the Federal-Aid Highway Act at the 1983 cost estimate as proposed in Section 108(c) of the bill. This provision, if enacted, would virtually eliminate interstate transfers since states would receive interstate highway funds on the basis of the interstate cost estimate at the time of construction while transferred projects would have the federal share frozen at the 1983 level. With over 700 miles of urban interstates to complete--prime candidates for transfer based on present urban transportation needs--it is counterproductive to the federal interest to penalize transfers in this manner. Decisions to transfer or construct remaining interstate segments should not be financially coerced. Either the cap on federal funding of transfers should be eliminated or the federal share of the *entire* interstate program, whether transferred or not, should be frozen at the 1983 interstate cost estimate.

4. Certification Acceptance and Project Acceleration

Section 124 of S. 2315 eliminates the requirement that federal officials personally inspect projects upon completion of construction. Coupled with the existing provisions for certification acceptance of pre-construction activities under Section 117 of the Federal-Aid Highway Act, plus the study of a proposal to accelerate project approvals contained in Section 134 of the bill, this provision would almost eliminate the federal oversight role in project development and construction. We question whether this retreat in federal supervision would encourage non-compliance with federal design and environmental requirements and exacerbate the increasing problem of fraud in the highway construction industry. Lack of oversight increases the risk of error, regardless of how well-meaning state officials are in their compliance with federal laws and regulations, thus increasing the risk of citizen opposition and litigation. Finally, from an environmental standpoint, these proposals come at the same time that FHWA is proposing to eliminate the requirement that states prepare and implement "environmental action plans" to assure that federally-assisted highway projects are constructed "in the best overall public interest" as required by Section 109(h) of Title 23, U.S. Code. The inevitable consequence of relaxed federal oversight and the elimination of procedural safeguards for consideration of environmental, social, and economic effects will be the approval of more ill-designed and perhaps unnecessary projects that do not merit federal assistance. If there is a sufficient federal interest to spend $8.2 billion in federal funds on highway programs, then there is a sufficient federal interest to make sure these funds are not squandered. This sum of $8.2 billion--which is as good as appropriated once authorized since states have contract authority to obligate these funds immediately upon apportionment--is over 8 times what the Reagan Administration proposes to spend in FY '83 on all the excellent environmental laws sponsored by this Committee over the course of the last decade, including the Clean Air Act, the Clean Water Act, the Toxic Substances Control Act, the Resources Conservation and Recovery Act, and the Pesticides Control Act. That being the case, this Committee has an obligation to see that these funds are well-spent.

Finally, we would like to comment on a few provisions of this legislation that are of particular interest to NWF. First, the "interagency agreements" requirement for non-DOT licenses and permits is unnecessary and perhaps damaging to the objective of accelerated project approvals. Unnecessary since the post-environmental review design stage is an extended process that almost always exceeds the 180-day deadline for acquisition of all non-DOT approvals contained in this proposal. Therefore, this is a "hurry-up-and-wait" requirement that does nothing to speed up the project development process. Furthermore, there is no assurance that all the information necessary for non-DOT approvals can be generated within this statutorily-mandated time frame. This will force other federal agencies to deny the needed approvals simply because they cannot meet this arbitrary deadline and thus prevent needed projects from proceeding in an expeditious manner.

Second, the proposed Highland Scenic Highway (Section 122) does not deserve federal assistance. It is extremely destructive of bear and wild turkey habitat in West Virginia, as well as trout streams in the immediate vicinity. It is also redundant since the Blue Ridge Parkway and Skyline Drive already offer ample opportunity for scenic driving in that area. Finally, the consulting firm hired to prepare the environmental analysis of the project recently concluded its review and recommended that the project be terminated due to its adverse environmental effects. In ten years of reading EISs, this is the first analysis of a highway project I have encountered where the recommendation was outright termination of the project.

Finally, while we have no objection to the "emergency relief" provision of the bill (Section 120), the Federation has long objected to federal participation in infrastructure development in environmentally-sensitive areas, such as barrier islands, high storm hazard areas, and flood plains. These projects encourage development of these areas, thus inviting the very disasters which this provision addresses. The Federal Emergency Management Agency (FEMA), which manages the federal flood insurance program, shares this concern with federal infrastructure development in high hazard areas. In one recent case involving the destruction of a bridge to Dauphin Island, a barrier island off the coast of Alabama, by Hurricane Frederick in 1979, FEMA opposed reconstruction of the bridge. Besides re-opening the island to development, the bridge cost the federal government over $20,000 for every building on the island. We therefore recommend that the first sentence of Section 120 be further amended to read:

> An emergency fund is authorized for expenditure by the Secretary, with the concurrence of the Administrator of the Federal Emergency Management Agency and subject to ....

This amendment would assure consistency in federal programs involving construction in high hazard areas, protect such areas from hazardous development, and save the taxpayer money.

We also believe that an ounce of protection is worth a pound of cure with respect to emergency relief. The National Park Service and the U.S. Fish and Wildlife Service have prepared a series of maps that identify 45 undeveloped barrier islands, totaling approximately 50,000 acres along our East and Gulf Coasts, in need of immediate protection. We, therefore, recommend that Section 144 of the Federal-Aid Highway Act, the Highway Bridge Replacement and Rehabilitation Program, be amended to prohibit the use of federal funds to provide access to these presently undeveloped islands. This could be accomplished through the addition of the following language after 23 U.S.C. §144(m):

> Section 144(m): No funds apportioned under this title shall be used to construct new bridges to the undeveloped barrier islands depicted on the U.S. Fish and Wildlife Service maps entitled "Coastal Barrier Resource System, consecutively numbered 001 through 125, and dated April 28, 1981."

These are the maps mentioned above and are the same islands that would be protected under S. 1018, the Coastal Barrier Resources Act, sponsored by Senator John Chafee and scheduled for markup by this Committee on April 28, 1982.

Mr. Chairman, thank you for the opportunity to testify before this Committee on this important piece of legislation. We look forward to working with this Committee to promote a healthy transportation system and a healthy environment.

TESTIMONY OF ROBERT J. McFarlin

BAKKE, KOPP, BALLOU & McFARLIN, INC.

AND

CHAIRMAN, TRANSPORTATION COMMITTEE

AMERICAN CONSULTING ENGINEERS COUNCIL

BEFORE

SUBCOMMITTEE ON TRANSPORTATION

OF THE

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

UNITED STATES SENATE

April 21, 1982

Washington, D.C.

Testimony Of Robert J. McFarlin

Mr. Chairman and members of the Subcommittee, my name is Robert J. McFarlin and I am a principal in the consulting engineering firm of Bakke, Kopp, Ballou & McFarlin, Inc. As Chairman of the Transportation Committee of the American Consulting Engineers Council, I am happy to have the opportunity to testify before the Subcommittee today.

The American Consulting Engineers Council (ACEC) is a nationwide federation of over 3,800 independent engineering firms in private practice representing over 100,000 professional, technical and support persons. These firms range from one-man operations to multi-branch corporations. While many ACEC members work solely for the private sector, others provide engineering services for federal agencies and federally-assisted grantees. Consulting engineers are actively working for the sound design, development, construction and maintenance of projects in all modes of transportation.

We would like to commend the Subcommittee's efforts in the introduction of S. 2315, the Federal-Aid Highway Act of 1982. Last October, the ACEC Board of Directors adopted a transportation policy statement, which I have included as an appendix to my testimony. Our policy statement addresses issues of concern to those of us involved in transportation projects. ACEC supports the following positions relating to federal-aid highways -- an extension of the Highway Trust Fund; a continued federal commitment to the bridge program; and a greater responsibility to state and local governments in the decision-making process. We are pleased to note that these issues have been addressed in S. 2315 and we are happy to endorse enactment of this legislation.

We note that the bill extends the trust fund for five years with the present tax structure. ACEC believes that long-term planning of large public works projects is made more efficient if long-term funding is reliable. A sound highway system is certainly in the national interest and extension of the trust fund will assure a continued funding base for this important system. However, we want to underscore that we recognize that revenues to the trust fund have been diminishing as a result of inflation and decreased gasoline consumption. We believe this is an important issue that must be addressed if we are to have adequate revenue sources to complete and maintain the nation's highway system. We are supportive of efforts to increase the federal gasoline tax and we have recently voiced this support to Secretary of Transportation Andrew Lewis and Federal Highway Administration Administrator Ray Barnhart.

Enactment of the Federal-Aid Highway Act of 1981 expanded the 3R program to 4R and was an important step forward in recognizing the need for an increased emphasis on maintenance of the nation's highways. Interstate and primary roads are designed to last 15 to 20 years. Many of these roads are already 30 years old. The designs of 30 years ago are not adequate to meet the demands of increased volumes of traffic or higher standards of safety design. We cannot allow this valuable investment to deteriorate and ACEC cannot emphasize too strongly the need for this continued emphasis.

ACEC has also urged a continued federal commitment to the bridge reconstruction and rehabilitation program. We support the provisions in the legislation that include cost data on deficient off-system bridges, as well as on-system bridges, weighting the criteria toward the bridges on the federal-aid system to reflect the obvious federal responsibility for those bridges.

It is important to note that there are hundreds of bridges among the many thousands of deficient bridges that are very big and expensive projects. An example would be the bridges at major river crossings and harbor mouth crossings. When a state undertakes one of these bigger projects, we have found that they are so costly there is little or no funding left for the many small- and medium-size bridges in need of repair. These smaller projects can be held up for a year or longer. We believe the basic bridge program should be used to cover these smaller projects and would like to suggest that some provision be made in the discretionary program to include the bigger bridge projects in this category.

ACEC believes that there is a proper federal role in transportation policy. An integrated national transportation network is essential for the needs of the nation's commerce and national defense systems. An effective partnership among federal, state and local government entities is necessary and can be achieved through federal deregulation and through delegating greater flexibility and responsibility to state and local governments in the decision-making process.

ACEC therefore supports a gradual phasing-out of the federal role in secondary and urban programs. We believe that it is reasonable to transfer responsibility for programs which have no direct relationship to either interstate commerce or national defense to state and local governments. However, we believe the dedicated resources to fund those programs should be transferred also and remain dedicated to those programs.

We support the provision in the legislation that eliminates the system's designation for urban and secondary programs and establishes new urban and rural programs, expanding eligibility to all public roads within those areas. We further support granting states authority to transfer funds between the primary and urban programs and the primary and rural programs. We believe these provisions can provide the states with greater flexibility in establishing their own priorities, as well as providing a transition between the current full federal involvement and eventual state and local responsibility for these programs.

ACEC has found that regulatory reform is long overdue and essential if we are to get the most out of every transportation dollar. Federal red tape and duplicative requirements are often the cause of delays and increased costs of projects. We are happy to see that efforts to reduce these delays and increased costs are under way. We note that the legislation addresses this issue by expanding coverage of certification acceptance and we understand that the Federal Highway Administration has also moved toward rescinding the regulation on the development of environmental action plans and changing environmental impact regulations. Again, these actions will give the states greater responsibility and flexibility and at the same time remove duplicative federal requirements.

I had a particular experience in this regard which I viewed as a costly, unwarranted and non-productive waste of time. Appendix II to this statement shows a chronology of events in the design of a replacement bridge in St. Louis Park, Minnesota. My firm spent 100 weeks in non-productive time simply waiting for the completion of various federal and state reviews.

The project called for the replacement of an unsafe bridge at the same location to serve the same purpose. This project could have been designed comfortably in about nine months. Instead, the final approval for this design stretched out over a five-year period. The people of St. Louis Park were subjected to a dangerous situation several years longer than was necessary and paid an escalated cost far beyond any reasonable need. The elimination of delays and wasted time provides a significant opportunity for savings, and we applaud all Congressional and Administration efforts in this regard.

Finally, Mr. Chairman, it is important to recognize that an expansive, ongoing effort to maintain and upgrade our nation's highways requires a competitive construction industry.

At the present time, the Assistant Secretary of the Treasury for Tax Policy, John Chapoton, is advancing a proposal to eliminate the use of the completed contract method of accounting, used for over 60 years by the construction industry, which, in our view, will have dramatic and adverse impacts on highway contractors. While this proposed elimination has little direct impact on most design professionals, we do foresee a reduction in competition leading to increases in highway construction costs, which can only frustrate our mutual desires to get the most for the construction dollar. Such a result is neither good for our industry nor for the tax-paying public.

Without going into further detail here, Mr. Chairman, we would urge you and other members of the Senate Finance Committee to carefully assess the impacts of this proposal on the health of an industry which has already made great sacrifices to bring about economic recovery and the health of the federal-aid highway program, which you seek to improve through S. 2315.

Again, Mr. Chairman, I want to thank you for the opportunity to present the views of ACEC and I will be happy to answer any questions you may have.

Appendix I

american
consulting engineers
council

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TRANSPORTATION POLICY

The American Consulting Engineers Council (ACEC) and its 3,700 member engineering firms are actively working to assure the sound design, development, construction and maintenance of the various modes of the nation's transportation system. The transportation network is vital to the nation's economy and touches virtially every facet of American life.

A revitalization of the economy must be a priority national goal. Federal policies that foster budget balancing through equitable spending reductions, restraint in government growth, reform of the regulatory burden and a reliance on private enterprise will help achieve this goal. The transportation system must play a major and vital role in the nation's economic recovery.

The Constitution has established the role of the federal government in transportation policy. An integrated national transportation network is essential for the needs of the nation's commerce and national defense systems. An effective partnership among federal, state and local government entities is necessary and can be achieved through federal deregulation and through delegating greater flexibility and responsibility to state and local governments in the decision-making process.

Those programs which have no relationship to either interstate commerce or national defense may reasonably be transferred to state or local jurisdiction. The resources which had been used to fund such programs should be similarly transferred. When federal responsibility for a program is transferred to state and local governments, the transfer should be a gradual, rather than an abrupt, phasing-out of the federal role.

Federal action in interstate transportation systems (airports and airways, highways, mass transit, railroads and waterways) should not favor any system over others. Federal involvement should view the nation's transportation system as a whole, with a balanced and equitable approach to all modes.

(more)

Whatever competitive advantages might accrue to planes, trucks, trains or barges or to heavy rail, light rail or buses, should be based upon the inherent characteristics of these modes of transportation. They should not be based upon artificial advantages brought about by federal action.

The integrity of the trust fund concept, that is, the establishment of trust funds to cover the capital costs of specific transportation systems, must be maintained.

Long-term planning of large public works projects is made more efficient if long-term funding is reliable. This can be done by retaining the principle of "users pay" and using trust fund monies in a timely fashion for the purpose for which they were collected. Trust fund surpluses should not be accumulated to offset the federal deficit in a bookkeeping procedure.

Airport and Airway Development

Air transportation is a safe and efficient link in the transportation network. ACEC supports prompt reauthorization of Airport and Airway Development Programs. ACEC strongly believes that user taxes should not be diverted to the general fund nor should trust fund monies be used to fund Federal Aviation Administration operations. Further, ACEC supports creation of a mechanism by which any user taxes that were diverted to the general fund during a lapse in authorizing legislation would be returned to the trust fund upon reenactment of that legislation.

Public Mass Transit

Public mass transit remains an essential element in the nation's drive to conserve energy and reduce dependence on foreign oil. The choice of appropriate mass transit modes for each urban area should be determined by careful study and planning by state and local governments. To accomplish the goal of reduced federal participation the maximum percentage of the federal share should be reduced for capital grant projects.

While ACEC supports the concept of the user paying for the system and a greater responsibility for state and local governments, there should be gradual phasing-out of federal non-capital involvement to lessen the impact of such a policy.

Highways

The nation's highway system is a critically important element in interstate commerce and national defense.

ACEC supports maintaining the primary roads program and completing the interstate system. ACEC also supports a study to determine if certain uncompleted segments should be removed from the system, based upon either their not being vital to the completed system or to their failure on the basis of a careful cost-benefit analysis.

The nation's highways are deteriorating at an alarming rate. Expansion of the 3R (resurface, restore, rehabilitate) program to include reconstruction, as well as increasing the federal funding share to 90 percent, will assist the states in maintaining the system and work toward reducing the rapid deterioration rate.

Bridges are another vitally important facet of the highway system and ACEC fully supports the continuation and expansion of the bridge reconstruction and replacement program. Recent reports by both the General Accounting Office and the Federal Highway Administration agree on the need for a much more extensive effort to save and maintain the huge investment in the nation's bridges.

The proposed phase-out of the federal-aid secondary and urban programs should be carefully planned to allow states and localities adequate time to accept these new responsibilities.

From a technical standpoint, there is no doubt that increased traffic takes its toll on the highway system. ACEC supports a professional, impartial analysis of the effects of truck traffic, compared to the effects of other vehicles. There should be an equitable approach to the user fees imposed on the various user vehicles, based upon the relative deleterious effects which the various classes of vehicles impose on the highways.

Waterways

The federal government owns the navigable waterways of the U.S. and is therefore responsible for maintenance of these waterways. Federal actions benefit the national economy by improving the level of service to water transportation users through continued operation, maintenance and rehabilitation of the waterways.

While the implementation of a user charge to the waterway system broke with the longstanding federal policy of free use of the inland waterways, ACEC supports this action. The inland waterways are movers of commercial, industrial and energy products. Continued availability of water transportation benefits the business sector directly and, indirectly, the entire nation.

Continued improvements to our ports and harbors are necessary to meet the growing demands of national and international waterborne commerce and to improve the nation's balance of payments. Continued port development and improvement by private enterprise will be helped through federal regulatory reform measures. Costly delays can be reduced by a coordination of requirements for certificates, licenses and permits by federal, state and local governments. ACEC supports the "users pay" principle as it applies to port development.

Railroads

Railroads are an integral part of the transportation network and an important element in commerce. Railroads, with other considerations being equal, are generally the most efficient and economical overland mode for the transport of bulk commodities. Insofar as the railroads are permitted to exercise their inherent advantages, they reduce the wear and tear on the highway system caused, in turn, by excessive numbers of large trucks.

While ACEC does not favor the granting of special advantages to railroads, we do encourage a balanced and even-handed treatment. No artificial advantages should be conferred upon any mode and under such conditions the American railroads will flourish. They should be permitted and encouraged to make the economic contribution of which they are capable.

Approved by Board of Directors October 1981

American Consulting Engineers Council
1015 15th St., NW, Washington, DC 20005

Appendix II

BKBM

BAKKE KOPP BALLOU & McFARLIN, INC.
CONSULTING ENGINEERS
7505 West Highway Seven, Minneapolis, MN 55426 612/933-8880

April 7, 1981

Mr. Richard L. Koppy
Director of Public Works
City of St. Louis Park
5005 Minnetonka Boulevard
St. Louis Park, Minnesota 55416

Re: PROPOSED BRIDGE NO. 27621
LOUISIANA AVENUE OVER B/N
S.P. NO. 163-276-15

Dear Mr. Koppy:

We have developed a chronology for the referenced project,through an in-depth search of the relevant files. The resulting list of events covers three pages of standard typed paper, single-spaced.

A distillation of this chronology is enclosed for your information. In this enclosed list, I have selected those events which divide the productive time from the time imposed by regulation -- which approach will, I hope, give you the data you were looking for.

The totals show the result that you and I expected. The project required 167 weeks and one day from the day we signed the agreement until we turned in the last document to MnDOT. This time period covers parts of five years.

Stretching the definition of "productive" time as far as we can, we find 67 weeks and one day of time when our work was "productive" in a bar chart sense of stops and starts. There is a total period of 100 weeks and no days that was devoted to waiting for various reviews.

Further, however, is a period of 8 weeks and one day in 1981 that we counted as "productive" in which all we were doing was the publication of the notice of location and design approval and its affidavit, along with consulting with the City on right-of-way matters.

There is another so-called "productive" period of 21 weeks and no days, spent in developing the 4 (f) statement and two later periods of re-write totaling seven weeks and four days. Thus, the 4 (f) statement required 28 weeks and 4 days of the total.

If the 8 weeks and one day of "mop-up" operations in 1981 is added to the 28 weeks and four days devoted to the 4 (f) statement, that total is 37 weeks and no days. The total "productive" time is 67 weeks and one day, as noted above. If this 37 weeks is subtracted, the resulting 30 weeks and one day is the time

Harold P. Bakke Elmer J. Kopp Charles L. Ballou Robert J. McFarlin William P. Mohr Lloyd V. Beling Chester I. Quick
Robert L. Sprengeler Roger O. Cole Peter H. Herzog Thomas W. Williams Wesley C. Mattson Ronald L. Dokken
Richard L. Feig Robert D. Siegfried Thomas J. Downs

devoted to producing the project.

30 weeks and one day, compared to 167 weeks and one day, is a devastating indictment of the federal process, but it is the truth and can be defended in all particulars.

The 4 (f) requirement, in this case, was especially unreasonable. The characteristics were (a) no adverse environmental impact of any kind, (b) no objection of any kind from even one citizen or group, (c) an actual environmental improvement, and (d) a matter of public safety that required (and should have received) immediate attention. The extremism of the federal reviews in such a case seems inexcusable and indefensible to us.

I would be pleased to review any of these matters with you at your convenience, or with the council. Please give me a call if any further data would be helpful or if there is any further question.

Yours very truly,

BAKKE KOPP BALLOU & McFARLIN, INC.

By: Robert J. McFarlin
Robert J. McFarlin, P.E.

RJM:kjn

Enclosure

PROPOSED BRIDGE NO. 27621
ouisiana Avenue over B/N
.P. No. 163-276-15

SELECTED CHRONOLOGY

	DATE	ITEM	PRODUCTIVE	NON-PRODUCTIVE
Wednesday	12/14/77	BKBM Signs Agreement		
			Data Collection and Preparation of Design Report 5 weeks, 3 days.	
Friday	1/20/78	Draft Design Report to City		
			City's Review and final Revisions by BKBM to Design Report 2 weeks, 0 days.	
Friday	2/3/78	Final Design Report to City		
Monday	2/6/78	Council Approval		
			Preparation of Preliminary Plans 2 weeks, 0 days.	
Friday	2/17/78	Submittal of Preliminary Plans to Mn/DOT		
				Review Period for Preliminary Plans. 18 weeks,0 days (See notes 1 and 2)
Friday	6/23/78	Preliminary Plans approved by MnDOT		
			Preparation of Final Plans 2 weeks, 3 days. (See note 3)	
Wednesday	7/12/78	Final Plans (Bridge) Submitted to MnDOT		
			Preparation of Project Develoment Report (PDR) 5 weeks, 3 days (See note 4)	

Monday	8/21/78	"Final Draft" PDR Submitted to MnDOT		
				Review Period for Final draft PDR 14 weeks, 1 day (See note 5)
Tuesday	11/28/78	FHwA concurs in non-major action and moderate level path (approves PDR)		
Monday	12/4/78	MnDOT notifies City that a Section 4(f) Report will be required		
			Preparation of several drafts of 4(f) report, with meetings, comments, etc 21 weeks, 0 days (See notes 6 & 7)	
Tuesday	4/24/79	Submittal of Draft Section 4(f) Report to MnDOT		
				Review period for "pre-final" draft 4(f) statement 16 weeks,1 day (See note 8)
Wednesday	8/15/79	Notification about re-writing of the 4(f) statement		
			Re-writing of the 4(f) Statement 3 weeks, 1 day. (See note 9)	
Thursday	9/6/79	Re-written "Draft" 4(f) Statement submitted to MnDOT		
				Review period for Draft 4(f) Statement 8 weeks,0 days. (See note 10)

Thursday	11/1/79	Comments FHwA to MnDOT on 4(f) Statement		
			(Apparently) a further re-write of 4(f) statement in response to FHwA comments 4 weeks, 3 days.	
Tuesday	12/4/79	MnDOT notifies City of FHwA approval of Draft 4(f) Statement		
				A period of miscellaneous reviews 10 weeks, 1 day. (See note 11)
			Preparation of "Pre-draft" Location and Design Study Report (LDSR) 4 weeks, 0 days. (See note 12)	
Wednesday	3/12/80	"Pre-draft" of Location and Design Study Report (LDSR) submitted to MnDOT		
				Review period of LDSR (and also of 4(f)) 9 weeks, 3 days. (See Note 13)
Monday	5/19/80	Notice to Proceed with Location and Design Study Report (LDSR) (See note 14)		
			Preparation of final Location and Design Study Report (LDSR) 0 weeks, 4 days. (See note 14)	

Friday	5/23/80	Submittal of final Location and Design Study Report (LDSR)		
				Review period for final Location and Design Study Report (LDSR) 15 weeks, 2 days (See note 15)
Tuesday	9/9/80	Notice of approval of final LDSR, and permission to prepare plans, specs., etc.		
			Final birdge plans updated, reviewed and re-submitted 2 weeks, 0 days	
Tuesday	9/23/80	Submittal date of final bridge plans to MnDOT		
				Review period for final plans, FHwA & MnDOT 8 weeks, 2 days
Thursday	11/20/80	Return of plans with comments from MnDOT		
			Revisions to bridge plans, finalizing of special provisions, re-contacting of agencies 5 weeks, 3 days.	
Tuesday	12/30/80	Submittal of final plans (tracings) and special provisions		
			Period in which city was free to investigate right-of-way acquisition. No formal activity by BKBM 8 weeks, 1 day	

Thursday	2/26/81	Affidavit of Publication regarding Location and Design Approval sent to MnDOT: which is the final submittal and completes the project.

Total elapsed time 12/14/77 thru 2/26/80:	167 weeks, 1 day
Productive activity by BBKBM:	67 weeks, 1 day
Non-productive time (reviews, etc.):	100 weeks, 0 days

NOTES

1. During the review period 2/17/78 thru 6/23/78, a number of miscellaneous items were accomplished. Among these were submittal of preliminary plans to B/N and approval by B/N, meetings with the several utility companies involved, meeting with a bridge contractor, and meetings with MnDOT regarding roadway requirements.

2. During the review period 2/17/78 thru 6/23/78, notification was received from MnDOT (5/19/78) that federal funds would be used. From that date forward, the procedures for a federal-aid project were followed.

3. In order to accellerate the project, BKBM had been working on final plans (at its own risk) during the review period 2/17/78 thru 6/23/78 and was well along with these plans by the preliminary approval date of 6/23/78. The very short final plan preparation period of 2 weeks and 3 days requires this explanation for proper understanding.

4. Work on the PDR began just after 5/19/78 and included preliminary informal submittals leading up to what is called in federal jargon, a "final draft".

5. During the PDR review period, it was found to be possible to accomplish some other minor requirements. These included further dealings with utilities, review of traffic control, a lengthy review of bridge width with FHwA, and the formal notification of agencies.

6. The 21 weeks of "productive" time begins 11/28/78 when BKBM knew (informally) that the 4(f) report would be needed.

7. During the preparation of the 4(f) report, once again, a group of useful actions were taken. They included revision of bridge plans for the width required by FHwA, additional efforts on traffic control, preparation of cost estimates, and the Railroad Company's force account agreement.

8. Other items dealt with during this review period (4/24/79 thru 8/15/79) included a response to comments by the Department of Interior and a conclusion to the Railroad Company's force account agreement.

9. During this three-week re-write period, a small portion of the deck slab on the existing bridge collapsed. This collapse occurred near the expansion joint on the northwest corner. A report on recommneded repairs and costs was submitted 9/4/79.

10. During this review period, the city completed the repair of the partially-collapsed deck slab.

11. This time period includes the two notices for public hearings, more comments by FHwA on the 4(f) Statement, preparation of the "Pre-final" and the "Final" 4(f) statements. The extent of this time period is derived in note 12, following.

12. The exact date of the start of work on the LDSR is not precisely known. From experience, we know that the time requirement is two or three weeks at the most. We therefore used four weeks as a generous allowance for the "productive time" involved in preparation of the LDSR, and the rmainder of the period 12/4/79 thru 3/12/80, which was taken up by waiting periods and a few more 4(f) comments, was listed as "non-productive".

13. During this period, the roadway plans were submitted to the City for information, and the "bill of sale" was prepared to transfer title to the old bridge from the Railroad to the City. Also, on 5/13/80, the FHwA approval (apparently final and total) of the 4(f) statement was received at MnDOT.

14. The notice to prepare the LDSR actually occurs after federal approval of the 4(f) Statement, which in turn occurred on 5/13/80 (see note 13 above). The "Pre-draft" LDSR, which BKBM submitted on 3/12/80, has no actual standing in the process, and was done (at the risk of BKBM) to try to accellerate the process. MnDOT cooperated by reviewing this informal pre-draft so that the final LDSR was ready to be turned in almost immediately after the notice arrived to prepare it.

15. During this period, the sale of the old bridge to the City was finalized, and the legal notice about request for L & D approval was published.

ACEC File #700.01
#700.14

american
consulting engineers
council

UNITED STATES MEMBER

1015 FIFTEENTH STREET, N.W., WASHINGTON, D.C. 20005 ☐ (202) 347-7474
Telex: 897445 AMCONENGRC WSH

May 12, 1982

The Honorable Steven D. Symms
Chairman, Subcommittee on Transportation
Committee on Environment and Public Works
United States Senate
6233 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Symms:

We are happy to submit our written response to the questions you recently forwarded to me.

Please let us know if we can provide any further information. Again, thank you for the opportunity to present the views of the American Consulting Engineers Council.

Sincerely,

Robert J. McFarlin

Robert J. McFarlin
Chairman, Transportation Committee
American Consulting Engineers
Council

RJM:sr
Enclosure

President WILLIAM R. RATLIFF Mt. Pleasant, Texas • *Senior Vice President* DOUGLAS C. WOLFANGLE Bloomington, Minnesota
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Executive Vice President LARRY N. SPILLER • *Managing Director* BRUCE E. VOGELSINGER

American Consulting Engineers Council
Response To Questions
From Senator Symms

Question 1: Over 95 percent of the Interstate System is now open to traffic: The cost to complete the remaining five percent is over $38 billion. Do you believe all remaining uncompleted segments are absolutely necessary for a connected, national system of interstate highways? If not, what percentage, do you believe, have primarily a regional or local benefit?

Response: ACEC supports completion of the remaining five percent of the Interstate System, except for a certain few urban links which are not cost-effective. The urban links are likely to be eliminated through local opposition and by the enormous difficulty in conforming to environmental regulations. These links should be dropped as long as Interstate by-pass routes are available around such urban areas.

Question 2: S. 2315 directs the Secretary to develop a selection process for the discretionary bridge program which includes a formula based on such criteria as the sufficiency rating, average daily traffic, truck traffic, defense highway system status, and a State's unobligated balance of bridge funds. Are there other factors that are good indicators of bridge deterioration which you believe should be included in the formula?

Response: ACEC finds that most of the funding in the Discretionary Bridge Program is provided for major bridge projects. ACEC believes these major projects should be outside the normal state allocation process. Therefore, the states' unobligated balance of bridge funds should not be a factor in the discretionary bridge program formula.

Question 3: Are current Interstate 4R apportionment factors -- lane miles and vehicle miles traveled -- adequate measures of highway deterioration? Are there other factors which should be used, and if so, are data for these factors readily available?

Response: ACEC doesn't believe that "vehicle miles" makes a distinction between types of vehicles. The terms "truck miles" or "heavy truck miles" and "auto miles" are more meaningful terms. "Auto miles" have little impact on deterioration and we believe "truck miles" or "heavy truck miles" have a greater impact on deterioration.

National Governors' Association

Richard A. Snelling
Governor of Vermont
Chairman

Stephen B. Farber
Executive Director

TESTIMONY OF

THE HONORABLE JOHN Y. BROWN, JR.

BEFORE THE

SUBCOMMITTEE ON TRANSPORTATION

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

UNITES STATES SENATE

APRIL 21, 1982

HALL OF THE STATES • 444 North Capitol Street • Washington, D.C. 20001 • (202) 624-5300

Mr. Chairman, members of the committee and subcommittee, I am John Y. Brown, Jr., Governor of Kentucky, and I appreciate very much having the opportunity to appear today and to testify on behalf of the National Governors' Association and the Committee on Transportation, Commerce and Technology. Accompanying me are Kentucky Transportation Secretary Frank R. Metts and Charilyn W. Cowan, who serves as staff director for the committee chaired by Governor Harry Hughes.

You will hear soon from several state transportation officials about specific program management recommendations. In addition, I understand that Rep. Joe Accardo will be testifying on behalf of the National Conference of State Legislatures. So as not to be repetitive with many of the shared concerns they will express on behalf of the states, I commend their testimony to your careful attention and will concentrate my remarks on the perspective of the nation's Governors on these important issues.

The future of the highway program is one in which each and every Governor has a vital and pressing interest. While I have not been actively involved in the preparation of the Federalism proposal that I commend for your review, I enthusiastically support the direction that both the committee and the NGA are taking in attempting to rationalize the governmental responsibilities for the highway program. Certainly, the details of the plan are negotiable over the long term. What is important is that serious consideration be given now to improvements in the design and delivery of the highway program. It represents an essential function in local economic development, as well as in our interstate -- and even international -- commerce. What is at stake is the confidence that our constituents -- both yours and mine -- have in elected officials and in the capability of government at any level to serve the general public good.

This committee has always been a leader in promoting program consolidation and flexibility. This year is no different. We believe the programs identified in your bill should be the principal programs targeted for assistance. We would like to continue working with you and your excellent staff in addressing financing and responsibility decisions regarding these basic highway programs.

A recent authoritative study by a congressionally-created commission (the Advisory Commission on Intergovernmental Relations) on state laws and practices clearly concludes that states are prepared to assume full responsibility for the administration of federal programs. From the state perspective, federal reform is and has been at the top of our agenda. Taking the federal grant system in illustration, our hands are tied by 500 separate categorical programs. Each of these has attendant regulations and we are faced with more than 1000 separate mandates that state and local government must address. The paperwork burden alone for administering these programs was estimated to cost $5 billion in 1977. (Despite recent emphasis on regulatory reform, I rather suspect that the burden and cost has increased rather than decreased since ACIR's earlier study. The state transportation officials testifying later today -- and my own transportation secretary -- can attest to paperwork burdens in the highway program.) In light of these statistics, we are not at all surprised that many Americans simultaneously believe that government is not meeting their needs and that it costs too much.

There is no question that the President hit a reponsive chord when he argued that the federal government administers many programs poorly. While some might argue that recent elections speak for themselves, perhaps a more precise indication of public sentiment is provided by public opinion polls conducted by nationally-recognized polling organizations. A Los Angeles Times/Cable News Network found that behind the tax cut, the most popular Reagan administration initiative was to give more power to state and local governments (favored 79-14 percent). The NBC/Associated Press poll found a similar pattern: the public approved of Reagan's "new federalism" idea, even though they were aware of its drawbacks. The reason for this attitude can be found in a 1981 Gallup poll in which responses indicated that the public is convinced that state governments are more responsive, more efficient, and less wasteful and corrupt than the federal government. Applying this more specifically to program responsibilities of your committee, a Roper poll for the American Enterprise Institute concluded that 62 percent believe that highway construction programs are best provided by state and local governments. (This contrasts with the response given on protecting the environment in which 54 percent believe that such programs are best provided by the federal government.)

These "statistics" are cited as a backdrop for the specific proposal the Governors offer. As you know, NGA and White House negotiators have been discussing features of the President's Federalism Initiative and found both much to agree about and some areas of disagreement. With respect to this hearing, you should know that the Governors unanimously agreed that transportation and the highway trust fund should be dealt with separately from other program turnbacks.

The Governors believe that transportation programs should move through a turnback process separately and expeditiously. Divisive competition between programs investing in human capital and those financing capital facilities investment could occur by lumping all aid programs in a single gras roots trust fund. NGA's federalism policy accepted the fact that transportation is unique among the categorical programs being considered for turnback to the states and local governments. User fees finance much of the expenditures involved in transportation programs. At the federal level, the highway program is almost exclusively financed by users, and that linkage is important to maintain. And while other user-financed programs might be candidates for turnback, in no case is either the direct relationship between tax revenues and expenditures or the traditional state responsibility so clear cut as in the highway program. What is commonly known as the federal highway program is more precisely a federally-assisted state program. Liability rests with the states, as they hold title to the highway system. Regardless of where the financing derives from or is processed, the states will continue to have the major responsibility and interest in planning, programming, managing and financing the highway system.

In discussing the NGA proposal for sorting out and revenue resource allocation for the highway program (the details of which are described in the attached paper), I would like to highlight three main points:

First, Governors strongly support sorting out the roles and responsibilities of government in the improved implementation of highway programs. This proposal would place principal financing responsibility where the accountability currently rests. NGA recommends that the financial responsibility for Interstate-related functions, the primary system, highway safety and safety construction, and the federal lands and emergency relief programs, remain at the federal level. Those programs which would become the responsibility of state and local governments would include the urban, secondary and bridge (off the primary system) programs.

Second, decisions on the appropriate level of governmental responsibility should be based on merit, and should not be unduly based on budgetary considerations.

Third, once decisions are made on assignment of responsibility, available revenues should be divided proportional to their current program allocations. Such a "share the pain" approach recognizes that the program is under-funded at present, but adopts the premise that roughly the current allocations among the basic programs ought to continue and that each level of government would be accountable for raising revenues for the programs for which they are responsible. This would translate into an even split of the current motor fuel tax revenues, transferring 2¢ of the 4¢ per gallon tax, or roughly $2 billion, to the states for the programs they would finance.

Other features of the proposal, which I urge you to review carefully in detail, are:

- establishment of a five-year transition period during which the turnback would be implemented.

  During the first two years, federal funding would be allocated by formula. At the beginning of the third year, states would have the option of increasing their own tax rate and a compensatory reduction in the federal tax would occur. By the end of the fifth year, all allocations for the turnback programs would expire, the federal taxes involved in the revenue turnback would expire, and the states would assume full present and future responsibility for the turnback programs.

- design of a mechanism to protect those states which lack the capacity to generate sufficient revenues internally for sustaining adequate service levels of the highway system.

- recognition of the fiscal limitations on local governments and of the need for protecting funding now attributable to local communities under the current programs.

- flexibility to transfer or borrow between Interstate construction and Interstate 4R apportionments.

The highway plan adopted by the Governors is part of a larger strategy intended to rationalize all of the functions of government to the extent we are able to. It does not mean that there is no federal role in highways, as I have just outlined. What it does mean is that the delineation of responsibilities among major functions of government should become more clear.

The commitment to public service that each of us has obviously made evidences a strong desire to make good on our individual pledges to make government work better. Clearly, we have entered a new era, an era in which government at every level will be under extraordinary pressures to do more with less. In no area will those pressures be more intense than in transportation. And it would be surprising if these pressures did not lead to tension -- perhaps even conflict. Ideally, they should lead to serious negotiations among participants at all levels of government on the fairest and most efficient division of responsibilities and resources to meet the challenges we face. We pledge our support to work with you in this important effort and hope we can count on you to lead the way in Congress.

Thank you very much.

National Governors' Association

Richard A. Snelling
Governor of Vermont
Chairman

Stephen B. Farber
Executive Director

SURFACE TRANSPORTATION - SORTING OUT OPTIONS

The nation's governors have consistently placed federalism reform at the top of their national agenda. Sharing the President's desire to realign the federal system to achieve more effective and accountable government at all levels, the governors have pledged to work with the administration and Congress at every opportunity to restore balance to our system of government.

In pursuing a process for the proper sorting out of state and federal revenue sources and responsibilities, transportation should be considered a prime candidate since many transportation programs are managed by the states already. Determinations on reponsibility for various programs should be based on merit, and the accompanying revenue turnback should be accomplished through an equitable and proportional sharing of existing revenue sources between the state and federal levels of government.

Recognizing the critical role that development and rehabilitation of the nation's transportation infrastructure plays in an effective strategy for long-term economic recovery and ensuring sound national defense, the plan developed for sorting out in transportation should promote an increased level of effort by the appropriate level of government for each essential function. The federal government would be held accountable for providing adequate revenues to finance programs remaining at the federal level; likewise, state and local governments must accept their responsibilities under a restructured system and provide adequately for their own local and statewide programs.

I. BACKGROUND

At the National Governors' Association winter meeting the Governors adopted a policy statement on federalism. Excerpts from that policy, as it relates to transportation, are as follows:

> "The states take over some negotiated set of federal categorical programs (excluding transportation programs)."
>
> "The transportation programs and the highway trust fund would be dealt with separately."

In effect, the Governors, when drafting their federalism policy, said that transportation was unique among the categorical programs being considered for turnback to the states and local governments. It was agreed that transportation programs should move through a turnback process separately and expeditiously.

The NGA Committee on Transportation, Commerce and Technology also considered and adopted a position on sorting out and revenue turnbacks related to the highway program at the winter meeting. It established general criteria for evaluating highway sorting out proposals and also identified a series of programmatic concerns. These are summarized below (the entire position is attached -- Attachment I).

o Programmatic Concerns for Sorting Out

In supporting a sorting out and revenue turnback process for the highway programs, the Governors advance the following specific concerns:

- Provision of financial resources to ensure maintenance of adequate service levels;
- preservation of stable long-term funding mechanisms at the federal and state levels that are inflation-sensitive;
- preservation of relationship between user taxes and spending, recognizing special constitutional problems in some states relating to segregation of general revenues and transportation funds;
- protection of those few states which at any time temporarily lack the capability to generate sufficient revenues internally for sustaining adequate service levels on the highway system;
- recognition of the fiscal limitations on local governments and of the need for protecting funding now attributable to local communities under the current programs;
- continuation of federal responsibility for Interstate transfer substitute projects as part of the Interstate completion and preservation responsibility;
- flexibility to transfer or borrow between Interstate construction and Interstate 4R apportionments to meet unique needs; and
- recognition of the special problems of on-going major construction projects and the desirability of some assurances for segmental completion of those major projects already begun and partially funded.

Governor Harry Hughes, on behalf of the NGA Committee on Transportation, Commerce and Technology, was charged with developing a proposal for the separate and expeditious sorting out of transportation programs. The following proposal addresses federalism and sorting out options for highway and mass transit programs.

II. HIGHWAYS

Building on the principles and key programmatic concerns already adopted, a program structure is proposed for highways. The federal responsibility would include the following programs:

- Interstate Construction
- Interstate 4R
- Interstate Transfer
- Primary
- Bridges (Primary System)
- Highway Safety and Safety Construction
- Federal Lands
- Emergency Relief

Those programs which would become the responsibility of state and local governments include:

- Urban
- Secondary
- Bridges (Off-Primary System)

The new federal-interest programs are identified based on their importance to interstate commerce and national defense. It is envisioned that the federal government would suppport these programs through a permanent Highway Trust Fund. With respect to the Interstate System, Congress should take appropriate steps to ensure that the 1990 completion date remains firm.

The programs proposed for turnback are those that serve basically intrastate and local traffic and, as such, do not represent a significant federal interest. The traditional level of federal vs. state involvement in various programs is one measure of federal interest. For example, the federal share of total investment in primary highways was 55 percent in 1978, as contrasted with a 25 percent federal share of total investment in secondary highways.*

The turnback program would be implemented over a five-year transition period. Using the federal fiscal year (FY) 1982 budget as a baseline, taxing authority equal to two cents of the existing four cents per gallon federal motor fuels tax, or approximately $2.0 billion per year, would be required for the states to ultimately take over full responsibility for these programs. During the first two years of the transition period, federal funding would be allocated to the states by formula. Beginning with the third year, states would have the option of increasing their taxes to preempt that portion of the federal tax involved in the revenue turnback and a compensatory reduction in the federal tax would occur. By the end of the fifth year, all allocations for the turnback programs would terminate, the federal taxes involved in the revenue turnback would expire, and the states would assume full present and future responsibility for the turnback programs. A mechanism should be devised to protect those states which lack the capacity to generate sufficient revenues internally for sustaining adequate service levels on the highway system.

On attachment II, FY 1982 budget authority is contrasted to actual requirements by program category. Note that turnback programs account for approximately 25 percent of both requirements and FY 1982 authorizations. It is clear from this summary that the national highway program is currently underfunded by some 50 percent. Regardless of how program responsibility is split, additional revenues will have to be found if the Interstate System is to be completed by 1990 and the present condition and performance of existing highways and bridges are to be preserved. The federal government would be responsible for adopting adequate levels of program financing for development and rehabilitation of the Interstate and primary systems, as well as providing for an adequate safety program. The states would be expected to fulfill their responsiblity for adequate development and rehabilitation of infrastructure systems under their authority. Further, both the states and the federal government will have to reckon with the impact of future inflation.

---

* The Status of the Nation's Highways: Conditions and Performance, U.S. DOT, January 1981

Notwithstanding the shortfall that currently exists for financing all highway program responsibilities, this proposal reflects the notion that neither the states nor the federal government should be either advantaged or disadvantaged by a sorting out/revenue turnback plan and that adequate investment levels should be addressed at each level of government following decisions on sorting out.

III. MASS TRANSIT

The NGA Committee on Transportation, Commerce and Technology has, up to now, focused its effort for sorting out transportation programs on the federal highway program. It is believed, however, that mass transit programs should be included in the sorting out process as well. Generally, it is envisioned that the division of responsibility would be along the following broad guidelines.

A new federal-interest program would continue indefinitely, providing block grants for urban public transportation with maximum flexibility for use of the money, to include capital and non-labor maintenance costs at a minimum. Funding for public transportation would be at the $3.4 billion funding level and the block grants should be apportioned on a pass-through basis to urbanized areas over 750,000 population and to the states for smaller areas.

A dedicated funding source for transit should be established. Until that is done, federal funding should continue from the General Fund.

In the case of both highways and mass transit, it would be the responsibility of the states and their local governments to negotiate an adequate process to determine the distribution of funds within the respective states. A certification procedure could be established to ensure local imput to this process.

ATTACHMENT I

Background

The Transportation, Commerce and Technology Committee's Staff Advisory Council began serious work on developing sorting out/revenue turnback options in the highway program. This was undertaken in preparation for the December 4 Executive Committee meeting and for the NGA winter meeting, February 21-23. We found that NGA federalism policy regarding a broad-based trade-off between the states and the federal government still ranked high with most Governors: however, the prospects for acceptance within the Administration were poor. Under this proposal, the states would assume primary responsibility for education, transportation, and law enforcement in exchange for the federal government picking up the costs of medicaid, welfare and food stamps. Therefore, both in concert with the broad trade-off the Governors had already proposed and in attempting to view the highway program singly as a potential candidate for program shifts with resources attached, the committee began exploring possibilities for sharing existing taxes and programs.

Three options were prepared for consideration by the SAC at its January 29th meeting. One assumed a turnback of all highway programs except the Interstate/Interstate 4R and the safety program (with a 3¢ per gallon reduction in federal tax to be picked up by the states). A second option assumed retaining the primary system responsibility at the federal level--in addition to those in option one (with a 2¢ per gallon reduction in the federal tax to be picked up by the states). A variation on each of these was offered as a third option: applying a 2-4 year transition period during which revenues would be turned back by formula to the states as they prepared for implementation of the program/tax authority shifts outlined in the first and second options.

Before the SAC met to consider these options, the President outlined a major restructuring of program and financing responsibilites in his January 26th State of the Union Address.

The President's federalism initiative (designed to take effect in FY 1984) would place the turnback of highway programs into a line-up with 30+ other federal domestic programs. It would direct 2¢ of the existing 4¢ per gallon federal motor fuel tax into a $28 billion trust fund for all state and local programs turned back. The motor fuel tax contribution would add about $2.2 billion to a variety of other non-growth tax receipts (alcohol and tobacco excise taxes, and an especially problematic crude oil windfall profits tax). The trust fund would operate the first 3 years -- before revenues would be incrementally reduced over the following 4 years -- as a transition aid to help states adjust to raising revenue at the state level to finance needed programs and projects. The trust fund also would be used to offset losses states would incur as a result of the limited "swap" proposed in federal transfer to the states of financing responsibilities for welfare and food stamps (in exchange for federal assumption of medicaid costs).

Introduction

The highway system is financed on a pay-as-you-go basis with revenues collected from users of the facilities. Receipts from motor fuel taxes at the state and federal levels -- as well as other highway excise taxes and fees -- are used almost exclusively for transportation programs. While other user-financed programs -- such as those for improvements to the airport and airway system and the inland waterway system -- might be viewed as candidates for turnback, in no case is either the direct relationship between tax revenues and tax expenditures or the traditional state reponsibility so clear cut as in the highway program. It is a federally-assisted state program.

As the Governors prepare to address the President's overall federalism initiative and work with the Administration and Congress to develop a satisfactory program, the very real potential for sorting out and revenue return in the highway program should not be overlooked. The uniqueness of the relationship between user fees and the investments they finance should be preserved and offers a special opportunity to gain momentum in the desire shared by both the Governors and the President to restore balance to the federal system.

Overriding General Principles

1. Further development and maintenance of the nation's transportation infrastructure is viewed by the Governors as a critical element in an effective strategy for long-term economic recovery and ensuring sound national defense.

2. Certain portions of the country's highway network -- at a minimum the Interstate system -- clearly have national significance, and thus should remain the responsibility of the federal goverment for completion and preservation.

3. The Governors continue their support for "sorting out" and related revenue turnbacks affecting non-Interstate highway transportation programs.

4. Highway revenue turnback should be accomplished through an equitable and proportional sharing of program responsibility and existing revenue sources between the state and federal levels of government.

Programmatic Concerns for Sorting Out

In supporting a sorting out and revenue turnback process for the highway program, the Governors advance the following specific concerns:

- provision of financial resources to ensure maintenance of adequate service levels
- preservation of stable long-term funding mechanisms at the federal and state levels that are inflation-sensitive
- preservation of relationship betweeen user taxes and spending, recognizing special constitutional problems in some states relating to segregation of general revenues and transportation funds
- protection of those few states which at any time temporarily lack the capability to generate sufficient revenues internally for sustaining adequate service levels on the highway system
- recognition of the fiscal limitations on local governments and of the need for protecting funding now attributable to local communities under the current programs
- continuation of federal responsibility for Interstate transfer substitute projects as part of the Interstate completion and preservation responsibility
- flexibility to transfer or borrow between interstate construction and interstate 4R apportionments to meet unique needs
- recognition of the special problems of on-going major construction projects and the desirability of some assurances for segmental completion of those major projects already begun and partially funded

ATTACHMENT II

HIGHWAY INFRASTRUCTURE
(Dollars in Millions)

	FY 1982	
	TOTAL COST OF REQUIREMENTS[a]	FEDERAL AUTHORIZATION
I. Federal Interest Programs		
Interstate Construction	$ 4,160	$3,225
Interstate 4R	3,390	800
Interstate Transfer	1,060[b]	288
Primary	2,500	1,500
Primary Bridges	1,380[b]	565[b]
Safety Construction	550	390
Federal Lands	50[b]	50
Emergency Relief	100[b]	100
Total	$13,190	6,918
II. Turnback Programs		
Urban	$ 1,630	$ 800
Secondary	1,250	400
Non-Primary Bridges	830[b]	335[b]
Total	3,710	$1,535
GRAND TOTAL	$16,900	$8,453

[a] Taken from AASHTO's "A Program for America's Highways in the 80's," adopted November, 1980.

[b] Estimated

TESTIMONY OF FEDERAL HIGHWAY ADMINISTRATOR R. A. BARNHART
BEFORE THE SUBCOMMITTEE OF TRANSPORTATION OF
THE SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE
WEDNESDAY, APRIL 21, 1982

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here this afternoon to discuss proposed highway legislation with you. Secretary Lewis regrets that he is unable to appear today, however, he asked me to assure you that he intends to work very closely with each of you on the Federal-Aid Highway Act of 1982. Les Lamm, the Executive Director of the Federal Highway Administration, is with me and we both will be pleased to answer any questions.

Again, I would like to commend the members of this Subcommittee, and the full Committee, for your attention to and efforts to pass the highway legislation which the Department submitted last year. The legislation eventually enacted at the end of last year, the Federal-Aid Highway Act of 1981, came to grips with the crucial issue of Interstate System redefinition and shifted priorities toward preservation of prior capital investments in our Nation's Interstate System. The redefinition reduced the cost of completing the Interstate Highway System from about $54 billion to a level just below $39 billion - a savings of almost $15 billion. These savings were achieved by redefining System completion to delete nonessential features and by minimizing future changes in design, location, geometrics, and other construction features to limit future Federal cost increases. The 1981 Act expanded the Interstate 3R Program to a 4R Program by adding reconstruction and increased funding for the 4R Program by almost 200 percent.

Although the 1981 Act made a significant step in redirecting the Interstate Program, additional improvements in the highway program are needed.

The Subcommittee bill, S.2315, addresses many of those issues. S.2315 is a comprehensive bill which extends the authorizations for four years for all major programs currently in place. The bill would set an obligation limitation for Federal-aid highways of $8.2 billion for fiscal year 1983 and excludes emergency relief projects, rehabilitation of the Woodrow Wilson Bridge, and the certification of State procedures demonstration project from this limit. The Administration's budget proposes an obligation ceiling for Federal-aid Highways of $7.7 billion for fiscal year 1983, with the usual exemptions for Emergency Relief and for Section 147 Acceleration of Bridge Projects. We also propose financing, from the Highway Trust Fund, $150 million for Interstate Transfer Grants - Highways and the shift to the FHWA of the Appalachian Development Highway System program to be funded from the Trust Fund at $80 million.

S.2315 would continue the shift of emphasis within the Interstate system towards maintaining and preserving the existing system and the large capital investments of prior years. We generally support this emphasis, but have concerns about certain aspects of the Subcommittee bill.

Interstate Program

The Subcommittee bill continues the revised definition of Interstate System completion established by the 1981 Act. We believe the Subcommittee authorization levels are too low to provide a reasonable opportunity to complete the System within the early 1990's timeframe, even under the redefinition. Authorizations for Interstate construction of about $4.0 billion a year, as compared to the Subcommittee proposed levels of $3.3 - $3.6 billion, would be required to complete the Interstate by 1992.

To assure that States with small apportionments would have funds needed to advance essential projects and to expedite completion of the System, Interstate discretionary funds should be increased and the criteria for distribution revised. Rather than being allocated on a first-come, first-served basis as under present law, the funds should be allocated by the Secretary on a priority basis to projects that would help complete Interstate segments not open to traffic and to projects of unusually high cost relative to a State's apportionment. The Committee should consider financing an Interstate construction discretionary fund with lapsed amounts of previous apportionments, a $300 million annual set aside from Interstate construction authorizations, and with obligational balances resulting from Interstate withdrawals. This approach will provide the needed funds to States with small Interstate withdrawal apportionments, while at the same time accelerating system completion.

The Subcommittee bill continues high levels of Interstate 4R authorizations, $1.1 billion for fiscal year 1984, $1.6 billion for each of fiscal years 1985 and 1986, and $2.1 billion for fiscal year 1987. We also recognize the importance of rehabilitating and preserving the Interstate system by proposing high authorization levels for this program.

Interstate Substitution

The Subcommittee bill establishes contract authority for substitute highway projects, provides that no adjustment will be made for inflation after September 30, 1983, for substitute projects, and extends the eligibility of the Interstate Substitution Program to rural Interstate segments. We support the establishment of the limitation on cost adjustments and financing from the

Highway Trust Fund. We oppose, however, making substitute projects funding contract authority and recommend that these projects continue to receive annual review through the appropriation process.

Primary Program

S.2315 continues the primary program, with authorization levels of $1.5 billion for fiscal year 1983 and $1.6 billion annually for fiscal years 1984, 1985 and 1986. We generally support the thrust of these provisions, although our proposed authorization levels may differ slightly. We would recommend the elimination of the discretionary priority primary program, so that States can select those projects that reflect their own priorities.

Bridge Program

The Subcommittee bill extends the bridge replacement and rehabilitation program authorizations through fiscal year 1986 and revises the apportionment formula to include deficient off-system bridges as well as on-system bridges. Apportionments will be available for 4 years. The thrust of the Subcommittee bill is clearly in the right direction, however, we favor an availability period of 2 years rather than 4 years and would recommend a redistribution of unobligated funds after the 2 year period to other States.

The Subcommittee bill continues the discretionary bridge set aside and further provides enumerated criteria to be used by the Secretary to develop a formal process for selecting discretionary bridge projects. We have no objection to the Subcommittee proposal.

Secondary and Urban Programs

The Subcommittee bill eliminates the "system" designation for the secondary and urban programs and provides authorizations for these programs through 1986. Project eligibility under each program is enlarged to include all public roads within areas meeting the definition of rural or urban and the Federal share is reduced to 50 percent.

We believe State and local governments clearly have a greater interest than the Federal government in urban and secondary highway systems than in the Interstate and primary systems, since urban and secondary roads essentially serve local and regional travel. We agree that the Committee's approach of reducing the Federal share is one means of recognizing the reduced Federal interest. The Administration, however, is also considering other options, including the phase-out of Federal assistance for these programs.

Program Consolidation

S.2315 eliminates several existing categorical highway programs and rescinds any unappropriated authorizations. Unobligated balances will remain available until used or until the periods of availability expire. Most of these programs will be eligible activities under the regular primary and expanded rural and urban programs.

We strongly support these consolidations and believe it would be beneficial to eliminate even more categorical programs, most of which would be eligible activities under the regular primary, secondary and urban programs in fiscal year 1983 and under the primary program thereafter.

Highway Trust Fund

The Subcommittee bill retains the Highway Trust Fund as the financing source for Federal-aid highway programs. The bill extends highway excise taxes for 5 years, through 1989 and the trust fund itself through 1990. We believe that a 4 year extension of the taxes to 1988 and the trust fund to 1989 is adequate for the authorizations provided.

Highway Cost Allocation Study and Highway User Charges

The final Federal Highway Cost Allocation Study and report required by the Surface Transportation Assistance Act of 1978 will be submitted to the Congress soon. The study's findings will include estimates of cost responsibilities for the various vehicle classes and recommendations for improving equity in highway user changes.

Conclusion

Mr. Chairman, I am pleased that the Subcommittee bill adopts a basic approach that is consistent with the general thrust of the Administration's budget. I look forward to working with you on this important legislation.

STATEMENT OF

STATE REPRESENTATIVE JOSEPH ACCARDO, JR.
LOUISIANA HOUSE OF REPRESENTATIVES

ON BEHALF OF THE
NATIONAL CONFERENCE OF STATE LEGISLATURES

ON
S. 2315 - FEDERAL-AID HIGHWAY ACT OF 1982

BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION
SENATE COMMITTEE ON ENVIRONMENT AND
PUBLIC WORKS

APRIL 21, 1982
WASHINGTON, D.C.

Mr. Chairman, Members of the Subcommittee:

My name is Joe Accardo and I am a member of the Louisiana House of Representatives where I serve as Chairman of the Subcommittee on Oversight of the House Committee on Transportation, Highways, and Public Works. I appear before you today as the Chairman of the Transportation and Communications Committee of the National Conference of State Legislatures.

NCSL is the only national organization which serves the nation's 7,500 state legislators. One of NCSL's most important functions is to provide state legislatures with a strong voice in the federal decisionmaking process.

Before proceeding, I would like to thank you, Mr. Chairman, as well as Senator Stafford, chairman of the full committee, for your consideration in providing NCSL with the opportunity to share with you our views on S. 2315 and related highway issues.

I need not describe to you the crisis facing our nation's highways. This subcommittee is well aware of the deterioration of our highways, the leveling off of earmarked highway revenues, and the tremendous increase in the cost of building and maintaining highways. Rather than dwell on the problem, I would like to address the proposed solution. My comments will focus on the positive elements of S. 2315 that NCSL endorses, the problems that we have with other parts of the bill, the possibility of a federalism turnback of some highway programs to the states, and highway finance.

Positive Elements of S. 2315

First, S. 2315 contains many elements that are consistent with NCSL policy. We have long favored the consolidation of highway and highway

SAFETY CATEGORICAL PROGRAMS. WE APPLAUD THE ESTABLISHMENT OF A SINGLE HIGHWAY SAFETY PROGRAM, THE ESTABLISHMENT OF A SINGLE FEDERAL LANDS PROGRAM, AND THE ELIMINATION OF MINOR HIGHWAY CATEGORICAL PROGRAMS WHILE PRESERVING THE TYPES OF PROJECTS CONDUCTED UNDER THESE PROGRAMS BY MAKING THEM ELIGIBLE FOR FUNDING UNDER THE MAJOR HIGHWAY PROGRAMS.

NCSL HAS ALSO URGED INCREASED FLEXIBILITY FOR STATE AND LOCAL GOVERNMENTS IN SPENDING HIGHWAY FUNDS AND S. 2315 MAKES SEVERAL IMPORTANT CHANGES IN THAT DIRECTION. THESE BENEFICIAL CHANGES INCLUDE: INCREASING THE MAXIMUM TRANSFER OF FUNDS FROM THE PRIMARY PROGRAM TO BOTH URBAN AND RURAL (SECONDARY) PROGRAMS FROM 50% TO 100%; ALLOWING STATES TO USE 4R FUNDS FOR PRIMARY SYSTEM PROJECTS IF THEY DON'T NEED THE FULL APPORTIONMENT FOR 4R WORK; ABOLISHING THE 35% CEILING ON BRIDGE PROGRAM FUNDS THAT CAN BE USED FOR OFF-SYSTEM BRIDGES; AND PERMITING THE TRANSFER OF URBAN SYSTEM FUNDS FROM ONE URBAN AREA TO ANOTHER PROVIDING THE AREA LOSING FUNDS AGREES.

CUTTING RED TAPE IN THE HIGHWAY PROGRAM IS ABSOLUTELY NECESSARY IN THE ERA OF TIGHT GOVERNMENT BUDGETS. THE PROVISIONS IN S. 2315 EXPANDING THE GRANTING OF CERTIFICATION ACCEPTANCE TO THE STATES IS AN IMPORTANT STEP. THE REQUIREMENT THAT THE SECRETARY ENTER INTO MEMORANDA OF UNDERSTANDING WITH OTHER FEDERAL AGENCIES TO COORDINATE ENVIRONMENTAL COMPLIANCE REVIEWS IS PARTICULARLY NOTEWORTHY. THE DELAYS AND CHANGES IN HIGHWAY PROJECTS FORCED BY SEQUENTIAL REVIEWS IS EXASPERATING. IN MY OWN DISTRICT IN LOUISIANA WORK ON AN INTERCHANGE APPROVED BY THE FEDERAL HIGHWAY ADMINISTRATION IN 1972 FINALLY BEGUN THIS YEAR. AFTER COMPLETION OF THE DESIGN AND SURVEY PHASE AND APPROVAL OF THE ENVIRONMENTAL IMPACT STATEMENT, THE PROJECT WAS HELD UP AT THE LAST MINUTE BY THE U. S. FISH AND WILDLIFE SERVICE BECAUSE IT IMPACTED WETLAND AREAS. AS A RESULT THE LOCATION OF THE INTERCHANGE WAS MOVED, THE PROJECT WAS DELAYED SEVERAL YEARS, AND THE COST INCREASED FROM $1.5 MILLION TO $4.3

million. Requiring the coordination of the various environmental reviews will hopefully eliminate situations such as this.

For several years NCSL has urged greater federal attention to the potential benefits from increased ridesharing. S. 2315 contains important provisions making more carpool and vanpool projects both on and off highways eligible for federal funding.

We also applaud the extension of the Highway Trust Fund through 1989. The fund has proved to be a successful highway financing mechanism.

In short, Mr. Chairman, NCSL finds many features of the bill before you that we can enthusiatically endorse.

Problems with S. 2315

There are, however, three major objections we have to S. 2315. The first is the change in the 4R apportionment formula. NCSL believes that the apportionment should be based largely on usuage and other factors that contribute to pavement deterioration, such as weather. We see no pressing reason for retreating from the progress made last year increasing the vehicle miles traveled percentage of the formula from 25 percent to 45 percent. In fact we would urge the VMT percentage be increased again. We support a study by the Department of Transportation to determine if other factors, such as weather, can and should be part of the 4R apportionment formula.

Our second area of ~~disapportionment~~ DISAPPOINTMENT is the absence of any provision promoting transferability between the Interstate Construction and 4R programs. Different states have different needs with regard to the Interstate highway system. Some may prefer to emphasize completing unfinished segments, while other states that have older completed segments may prefer to emphasize 4R work. States should be allowed flexibility to use Interstate funds for either construction or 4R.

The most serious problem that S. 2315 creates for states is the reformulation of the current Urban and Secondary Highway system categorical programs into new Urban and Rural highway block grant type programs. Lowering the federal match for the two programs from 75 percent to 50 percent can have an enormous negative impact on the states.

The extent of the impact can be seen by the table that I brought with me and that is also attached as the last page of my prepared statement. For Fiscal Years 1981 and 1982 the authorization level for the Urban categorical program was $800 million in federal funds each year. S. 2315 proposes a level of $700 million for FY 1983, a drop of $100 million. If the federal match drops from 75 to 50 percent, state matching funds will have to increase from $267 to $700 million for states to take the full advantage of the program, an increase of $433 million, or 162 percent.

When comparing the current Secondary program with the new Rural program, the same result is evident. When FY 1981 is compared with the proposal in S. 2315 for FY 1983, the federal funds shrink by $100 million while the state match requirement increases from $200 million to $500 million. If you compare FY 1982 with the proposed FY 1983 level, the difference is even greater. Federal funds would rise by $100 million, while state matching funds would have to increase by $367 million or 176 percent.

The increased required state matching funds from FY 1982 to FY 1983 for these two programs would be $800 million. In an era of $100 billion federal government deficits, $800 million divided among 50 states may seem like small change. However, $800 million represents about 8 percent of total net state motor fuel tax revenues collected in FY 1980, the last year for which figures are available.

THE NEW URBAN AND RURAL PROGRAMS ALSO THREATEN TO SPREAD INFLEXIBLE FEDERAL DESIGN STANDARDS TO A LARGER NUMBER OF ROADS AND STREETS. THE DESIRABLE INCREASE IN FLEXIBILITY BY MAKING ALL URBAN AND RURAL ROADS NOT ON THE INTERSTATE OR PRIMARY SYSTEMS ELIGIBLE FOR FUNDS WOULD BE MATCHED BY THE UNDESIRABLE NEED TO FOLLOW FEDERAL STANDARDS.

FACED WITH LESS FEDERAL DOLLARS AND NO RELIEF FROM FEDERAL STANDARDS, STATES IN MANY CASES MAY DECIDE NOT TO PARTICIPATE IN THESE NEW HIGHWAY PROGRAMS. IN MY STATE WHERE WE REQUIRE LOCAL GOVERNMENTS TO MATCH URBAN SYSTEM FUNDS, MANY CITIES WILL PROBABLY BE UNABLE TO PARTICIPATE IN THE NEW URBAN PROGRAM AS A RESULT OF THE HIGHER MATCH REQUIRED. THESE CITIES WILL UNDOUBTEDLY COME TO THE LEGISLATURE FOR HELP, INCREASING THE FISCAL PRESSURE ON THE STATE GOVERNMENT.

THE NEW FEDERALISM AND THE HIGHWAY PROGRAM

A BETTER METHOD TO REFORMULATE THE CURRENT URBAN AND SECONDARY HIGHWAY PROGRAMS WOULD BE TO TURN RESPONSIBILITY FOR THEM BACK TO STATE GOVERNMENTS ALONG WITH THE REVENUES NEEDED FOR THE PROGRAMS. A YEAR AND A HALF AGO, NCSL AND THE NATIONAL GOVERNOR'S ASSOCIATION APPROVED A JOINT FEDERALISM POLICY WHICH INCLUDES THE PROVISION THAT STATES SHOULD HAVE THE PRIMARY RESPONSIBILITY FOR TRANSPORTATION PROGRAMS. IN DECEMBER 1981 THE NCSL STATE-FEDERAL ASSEMBLY (OUR POLICY-MAKING BODY) APPROVED A STATEMENT ON PROGRAM AND REVENUE TURNBACKS. THE STATEMENT SAYS PROGRAM RESPONSIBILITIES SHOULD BE RETURNED TO THE STATES FIRST IN THE AREAS THAT MOST CLEARLY ARE THE PROVINCE OF STATE GOVERNMENT, SUCH AS EDUCATION AND STATE AND LOCAL TRANSPORTATION. LATER THE STATEMENT NOTES THAT NCSL STRONGLY SUPPORTS THE FEDERAL GOVERNMENT INCLUDING ONE OR MORE SPECIFIC REVENUE TURNBACKS AS PART OF THE FY 1983 FEDERAL BUDGET. THE ONLY EXAMPLE GIVEN OF A POSSIBLE REVENUE TURNBACK IS THE FEDERAL MOTOR FUEL EXCISE TAX IN EXCHANGE FOR STATE AND LOCAL ASSUMPTION OF STATE AND LOCAL

HIGHWAY PROGRAM RESPONSIBILITIES.

THIS WEEK IS THE FIRST TIME THE NCSL STATE-FEDERAL ASSEMBLY WILL MEET SINCE PRESIDENT REAGAN ANNOUNCED HIS FEDERALISM INITIATIVE. TOMORROW THE TRANSPORTATION AND COMMUNICATIONS COMMITTEE WILL DISCUSS FEDERALISM AND HOW IT MIGHT APPLY TO TRANSPORTATION PROGRAMS. I CANNOT ARTICULATE A SPECIFIC NCSL ENDORESED FEDERALISM HIGHWAY PROPOSAL BEFORE OUR COMMITTEE AND THE FULL STATE-FEDERAL ASSEMBLY DEBATE THE ISSUES. HOWEVER, IT SEEMS CLEAR THAT TURNING THE CURRENT URBAN AND SECONDARY PROGRAMS BACK TO THE STATES OVER A PERIOD OF YEARS ALONG WITH REVENUES FROM THE HIGHWAY TRUST FUND IS A PREFERABLE ALTERNATIVE TO CHANGING THE PROGRAMS IN THE MANNER PROPOSED IN S. 2315.

I CAN CONFIDENTLY MAKE ONE PREDICTION ABOUT THE EVENTUAL NCSL POSITION ON THE FEDERALISM AND TRANSPORTATION PROGRAMS. WE SUPPORT THE USER FEE CONCEPT AS IT RELATES TO HIGHWAY PROGRAMS. WE WILL OPPOSE PLACING ANY REVENUE DERIVED FROM THE FEDERAL MOTOR FUEL TAX IN A LARGE TRUST FUND TO SUPPORT TRANSPORTATION AND NON-TRANSPORTATION PROGRAMS. WE WILL ALSO OPPOSE USING HIGHWAY REVENUES TO SUPPORT MASS TRANSIT PROJECTS. HIGHWAY GENERATED REVENUES SHOULD BE USED EXCLUSIVELY FOR HIGHWAY PROJECTS.

HIGHWAY FINANCE

FINALLY, NO TESTIMONY WOULD BE COMPLETE THIS YEAR WITHOUT DISCUSSING HIGHWAY FINANCE. NCSL RECOGNIZES THE NEED FOR MORE FUNDS TO SUPPORT THE CONSTRUCTION AND MAINTENANCE OF OUR NATION'S HIGHWAYS. AT ALL LEVELS OF GOVERNMENT WE MUST INCREASE OUR INVESTMENT IN THIS VITAL PART OF OUR INFRASTRUCTURE.

STATE LEGISLATURES HAVE BEEN RESPONSIVE TO HIGHWAY FINANCE CRISIS. IN 1981 TWENTY-TWO STATE LEGISLATURES RAISED THE MOTOR FUEL TAXES IN THEIR STATES. SO FAR IN 1982 FOUR MORE STATE LEGISLATURES HAVE RAISED GASOLINE AND DIESEL FUEL TAXES. IN ADDITION TEN MORE STATE LEGISLATURES ARE STILL

CONSIDERING ACTION IN 1982. THUS, OVER HALF THE STATES HAVE RAISED MOTOR FUEL TAXES IN THE PAST YEAR AND FOUR MONTHS, AND MORE WILL FOLLOW LATER THIS YEAR.

IT IS NO SECRET THAT U. S. SECRETARY OF TRANSPORTATION DREW LEWIS HAS BEEN CAMPAIGNING FOR AN INCREASE IN THE FEDERAL MOTOR FUEL TAX OF FOUR CENTS PER GALLON AND RISES IN OTHER HIGHWAY RELATED TAXES EQUIVALENT TO ANOTHER ONE CENT PER GALLON. NCSL DOES NOT SUPPORT A DOUBLING OF THE FEDERAL MOTOR FUEL TAX. THE PROPOSAL FOR A FOUR CENT INCREASE IN THE FEDERAL TAX WOULD EFFECTIVELY PREEMPT STATES FROM RAISING THEIR OWN GASOLINE AND DIESEL TAXES TO SUPPORT STATE AND LOCAL TRANSPORTATION NEEDS. NCSL CANNOT SUPPORT LARGE REVENUE INCREASING MEASURES THAT USURP THE TAX BASES OF THE STATES. THE MOTOR FUEL TAX IS A MORE IMPORTANT TAX FOR STATE GOVERNMENTS THAN THE FEDERAL GOVERNMENT. IN 1980 STATES RAISED TWICE AS MUCH FROM THEIR MOTOR FUEL TAXES AS THE FEDERAL GOVERNMENT. THE DISPARITY WILL GROW FOLLOWING THE STATE LEGISLATIVE ACTIONS OF 1981 AND 1982. ANY CONSIDERATION BY CONGRESS OF A LARGE MOTOR FUEL TAX INCREASE WOULD EFFECTIVELY PROHIBIT STATE LEGISLATURES FROM RAISING STATE TAXES WHILE THE PROPOSAL IS ALIVE IN WASHINGTON.

TO MEET THE HIGHWAY FINANCE CRISIS AT THE FEDERAL LEVEL NCSL SUGGESTS TWO STEPS BE TAKEN. FIRST, EXCISE TAXES ON RUBBER, TRUCKS, BUSES, LUBRICATING OIL, TRUCK AND BUS PARTS AND ACCESSORIES, AND VEHICLES OVER 26,000 POUNDS SHOULD BE RAISED. WITH NO CHANGES IN THE LEVEL OF ALL THE NON-MOTOR FUEL TAXES THAT FEED INTO THE HIGHWAY TRUST FUND, THE CONGRESSIONAL BUDGET OFFICE ESTIMATES THAT THESE TAXES WILL YIELD $3.15 BILLION A YEAR FOR FISCAL YEARS 1982 THROUGH 1986. RAISING THESE TAXES CAN PROVIDE A SIGNIFICANT INCREASE IN FUNDS TO SUPPORT THE FEDERAL HIGHWAY PROGRAM. THESE NON-MOTOR FUEL TAXES DO NOT DUPLICATE STATE TAXES.

THE NON-MOTOR FUEL EXCISE TAXES THAT FEED INTO THE HIGHWAY TRUST FUND FALL MAINLY ON TRUCKS. THE LONG AWAITED DOT COST ALLOCATION STUDY WILL SHOW THAT HEAVY TRUCKS DO NOT PAY THEIR FAIR SHARE OF HIGHWAY TAXES. THIS SITUATION WILL BE EVEN MORE TRUE IN THE FUTURE AS TRUCKS GET HEAVIER AND PASSENGER CARS BECOME LIGHTER.

SECOND, NCSL COULD SUPPORT A MODERATE RISE IN THE FEDERAL MOTOR FUEL TAX, PARTICULARLY IF THE RISE WERE COUPLED WITH A PROPOSAL TO TURN SOME HIGHWAY PROGRAMS AND TAX REVENUES BACK TO THE STATES. NCSL RECOGNIZES THAT ENORMOUS INFLATION HAS HIT THE HIGHWAY PROGRAM SINCE THE PRESENT MOTOR FUEL TAX WAS PUT IN PLACE OVER TWENTY YEARS AGO. A MODERATE INCREASE TO MEET THE NEEDS OF THE FEDERAL PORTION OF THE HIGHWAY PROGRAM IS CERTAINLY JUSTIFIED. WE WOULD MAKE ONE POINT ABOUT ANY PROPOSED INCREASE. THE INCREASED REVENUES MUST BE DEDICATED TO HIGHWAY PROGRAMS, NOT USED TO HELP BALANCE THE FEDERAL BUDGET.

I HAVE NOT SAID ANYTHING ABOUT THE AUTHORIZATION LEVELS IN S. 2315 FOR THE VARIOUS FEDERAL-AID HIGHWAY PROGRAMS, EXCEPT THE URBAN AND RURAL PROGRAMS. I KNOW THE FINAL LEVELS DEPEND TO A GREAT EXTENT ON THE BATTLE OVER RAISING THE FEDERAL MOTOR FUEL TAX AND OTHER TAXES THAT SUPPORT THE HIGHWAY TRUST FUND. NCSL REMAINS COMMITTED TO THE GOAL OF COMPLETING THE INTERSTATE HIGHWAY SYSTEM. WE APPLAUD THE LARGE INCREASES IN 4R FUNDS PROPOSED IN S. 2315.

IN CONCLUSION I THANK YOU ONCE AGAIN, MR. CHAIRMAN, FOR THIS OPPORTUNITY TO TESTIFY AND REMAIN AVAILABLE TO ANSWER ANY QUESTIONS THE SUBCOMMITTEE HAS.

IMPACT OF S. 2315 ON THE STATES: PROGRAM CHANGES

HIGHWAY PROGRAMS	FISCAL YEAR	FEDERAL FUNDS (MILLIONS)	STATE MATCH	
			PERCENTAGE	DOLLARS (MILLIONS)
URBAN	1981 & 1982	$ 800	25%	$267
	1983 (S. 2315)	$ 700	50%	$700
RURAL (SECONDARY)	1981	$ 600	25%	$200
	1982	$ 400	25%	$133
	1983 (S. 2315)	$ 500	50%	$500

IMPACT OF S. 2315 ON THE STATES: YEAR TO YEAR COMPARISONS

HIGHWAY PROGRAM	FISCAL YEARS COMPARED	CHANGE IN FEDERAL FUNDS (MILLIONS)	CHANGE IN STATE MATCH (MILLIONS)	PERCENTAGE INCREASE IN STATE SPENDING
URBAN	1981 OR 1982 WITH 1983 (S. 2315)	- $ 100	+ $ 433	+ 162%
RURAL (SECONDARY)	1981 WITH 1983 (S. 2315)	- $ 100	+ $ 300	+ 150%
	1982 WITH 1983 (S. 2315)	+ $ 100	+$ 367 + $ ~~467~~	+ 176 % + ~~288%~~

AMERICAN ASSOCIATION OF STATE HIGHWAY
AND TRANSPORTATION OFFICIALS

JOHN A. CLEMENTS, President
Commissioner
New Hampshire Department of Public Works
and Highways

FRANCIS B. FRANCOIS
Executive Director

STATEMENT BEFORE THE
SUBCOMMITTEE ON TRANSPORTATION
SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Relating to

THE FEDERAL-AID HIGHWAY ACT OF 1982, S.2315

by

JOHN A. CLEMENTS

Commissioner and Chief Administrative Officer,
New Hampshire Department of Public Works and Highways

and

President of the American Association of
State Highway and Transportation Officials

April 21, 1982

Founded in 1914, AASHTO represents the departments concerned with highways and transportation in the States, the District of Columbia and Puerto Rico, to foster the development, operation and maintenance of an integrated national transportation system. The active members of AASHTO are the duly constituted heads and other chief directing officials of the member highway and transportation agencies.

EXECUTIVE OFFICE: 444 N. Capitol Street, N.W., Suite 225 Washington D.C. 20001 Telephone (202) 624-5800

Mr. Chairman and members of the Subcommittee, I am John A. Clements, and I appear today in two capacities to offer testimony on S.2315. First, I am representing my own state of New Hampshire, as the person chiefly responsible for administering our Department of Public Works and Highways. Secondly, I am representing the American Association of State Highway and Transportation Officials, as its current President. I am accompanied by Francis B. Francois, who is Executive Director of AASHTO.

Before turning to S.2315, let me first congratulate the members of this Subcommittee for their leadership in securing enactment of Public Law 97-134 in 1981, and passage of a new Interstate Cost Estimate. While P.L. 97-134 was essentially a one-year measure, action by the Congress to enact it was important in several aspects. First, of course, its enactment assured continuation of our important Interstate highway program. Beyond that, working together we were all able to achieve a re-definition of Interstate completion that should assure our ability to complete the system in a timely manner. Not all states were fully satisfied with the results of that redefinition, and we know many members of Congress also did not achieve all they wanted. But the compromise struck in the Bill was acceptable, and the passage of a new completion definition was necessary at this time in our nation.

Another most important component of P.L. 97-134 was the creation of an expanded Interstate 4R program, something which AASHTO has strongly supported along with other organizations having a vital interest in maintaining the useability of our Interstate highway network. In addition to expanding the Interstate 4R program, last year's bill also significantly increased the funding available for this program, bringing it closer to the level required if we are to keep the Interstate highways at an adequate service level. In summary, considerable was accomplished last year, and we again thank you for your role in making it happen.

Turning now to 1982, we still have much to accomplish if we are to assure the future of our Federal-Aid Highway system. Before addressing the provisions of S.2315, Mr. Chairman, I would first like to make a few comments about the needs of our Federal-Aid Highway system.

Over the past year, Mr. Chairman and members of the Subcommittee, through the testimony of the Federal Highway Administration, AASHTO and others, you have repeatedly heard the detailed statistics establishing the needs of our Federal-Aid Highway System. We see no real value in going through this litany again here today, especially since there seems to be common agreement among the experts in the field as to what our highway needs are. I would offer instead this brief summary:

- We have yet to complete our Interstate highway system, after last year's important Congressional action re-defining Interstate completion, some $38 billion in work still remains.
- If we are to maintain acceptable levels of service on the existing Interstate highway system, then funding for the new Interstate 4R program must be significantly increased. We believe that at least $2 billion is necessary now, and that the program level should be increased to the $3 to $4 billion range through the 1980's and 90's.
- Our primary and secondary highways are continuing to decay, and must receive more attention if the nation's highway system is to remain functional and further deterioration in economic productivity is to be avoided.

- The bridge needs found in our states, cities and counties remain largely unmet, and are beyond the fiscal ability of state and local governments to handle.
- Our urban highway network is deteriorating significantly in many places across America, and we have large unmet needs in cities like Houston and other growth centers. Certain elements of our urban highway system are clearly necessary to a comprehensive national highway system and to the successful operation of bus mass transit systems, and thus deserve Congressional attention.
- The safety construction needs of our nation's highways are still unmet, and require increased attention by all levels of government.

When viewed collectively, in our judgement the programs of the Federal-Aid Highway system as now constituted should be funded at a $12 to $14 billion per year level, if we are to approach maintaining adequate levels of service on all elements of the system. Clearly, this exceeds currently discussed authorization and appropriation levels, and the levels advanced in S.2315. We are aware that members of this Subcommittee share our concern that the current funding levels for the highway program are too low, and we appreciate that concern.

The level of funding to a great extent dominates all other legislative issues affecting the future of the Federal-Aid Highway program, in our opinion. The choices before us are straightforward. If the program is to continue as at present, with the funding now under consideration, then we cannot adequately meet the needs of our nation's highway system. On the other hand, with a Federal-Aid Highway program in the range of $12 to $14 billion, and with the cooperation of state legislatures in raising matching revenues and the revenues needed to maintain the non-federal highways, we can assure a reasonable level of good highways to the American people.

All of you and those of us in AASHTO are aware of the proposed equivalent 5¢ highway user fee increase advanced by Secretary Drew Lewis, a proposal that could provide an acceptable level of funding for the Federal-Aid Highway program. We do not know the fate of that proposal at this time, but we remain hopeful that it or a like measure will receive favorable consideration in this Congress. Absent this occurring, then the choices before all of us are most difficult.

Last year, our AASHTO Policy Committee addressed the "what if" question, as to what should be done if adequate funding is not available in the Federal-Aid Highway program. At that time we once again reviewed the data, and in the professional judgment of the those responsible for administering the highway programs in our states, the District of Columbia and Puerto Rico reaffirmed that a program in the range of $12 to $14 billion was necessary. If that level of funding cannot be obtained, then our Policy Committee believes that what funds are available should "be concentrated and focused on adequate support for the few highest priorities as opposed to inadequate support to many".

More specifically, given inadequate funding, then we believe that the Federal-Aid Highway program should concentrate in order of priority on the following programs:

- completion of the National System of Interstate and Defense Highways, as soon as possible,
- an expanded Interstate 4R program, including reconstruction and items deleted from the Interstate Cost Estimate,
- meeting our bridge needs,
- the primary highway system,
- consolidated urban and rural programs, and a
- consolidated safety program.

We have been working with those who have been developing support for the user fee increase proposal of Secretary Drew Lewis, in the belief this is the best answer for our nation's highway system. We hope you will lend your support to the effort to more adequately fund the program. But if this cannot be achieved, then as the public official professionals directly responsible for our highway system, we urge your consideration of the priorities we have listed.

Mr. Chairman, in your letter inviting our testimony on S.2315 you listed six specific issues to be addressed. Let me now take them up in order.

1. Interstate 4R Needs and the Apportionment Formula

As mentioned earlier, we believe that the Interstate 4R program should be funded this year to at least a $2 billion level, rising to a level of $3 to $4 billion in the next few years.

A level of $2 billion is necessary at this time to start adequately addressing the already pressing needs found on much of the Interstate system. You are aware that some 10% of the present Interstate mileage is in poor condition, and that more is reaching that stage each year. We must move quickly to arrest the deterioration in that 10% of the system, and to restore sections that have already gone from poor to bad; otherwise, we will be faced with a number of serious disruptions in traffic movements, all having a negative effect on the nation's economy. A program level of $2 billion will get some of this work underway, and will also provide some funding for projects designed to upgrade certain segments of the Interstate system.

Over the next several years, there are a number of projects nationwide which are required to increase the capacity and improve the safety of certain segments of the Interstate system, particularly in urban areas, and to upgrade some older segments by improving ramps and making similar improvements. Further, there are some projects of this type now in the Interstate 4R category that were formerly in the Interstate completion program, before last year's re-definition; these projects are usually necessary for current traffic conditions, and are of the kind that should not be delayed or postponed indefinitely. By funding the Interstate 4R program at about a $2 billion level now, and increasing it to the $3 to $4 billion level over the next several years, considerable progress can be made on these necessary improvement and upgrading projects.

Looking to S.2315, an Interstate 4R program of $1.1 billion is proposed for FY84, $1.6 billion for FY85 and FY86, and $2.1 billion for FY87. While these amounts are a major improvement over the old Interstate 3R program levels of $275 million, they fall significantly short of what we believe the need to be.

With respect to the Interstate 4R apportionment formula, we are aware of the language contained in the reports of both Houses last year indicating unhappiness with the 55/45 percent formula contained in P.L. 97-134. We can report to you that there is also unhappiness with this formula in a number of states, although not all. We have noted Section 106 (b) of S.2315, calling upon the Secretary of Transportation to conduct a two year study of possible procedures for distributing Interstate 4R programs, and believe that an approach of this kind is a reasonable way to deal with the issue; however, we do question the need for taking two years to do the study.

Last year, our Task Force on Federal-Aid Highway Legislation took up the issue of seeking an acceptable Interstate 4R formula. We could not come to an agreement on any one formula, but did produce a report presenting a number of factors to be considered and suggesting some possible formulas. The report was titled "Discussion Paper on an Interstate 4R Distribution Formula", and a copy is attached to this testimony.

While your inquiry was limited to any comments we might have as to the Interstate 4R formula, I would note that in fact a number of states are presently concerned about other aspects of the distributions made under the Federal-Aid Highway program. The overall donor-donee situation is now being discussed in several states, along with the equities involved in funding under the individual programs and under the combined programs. Because of the concerns now being expressed, Mr. Chairman, I have established within AASHTO a Task Force on Federal-Aid Highway Fund Apportionments. The Task Force is being chaired by Jack Kinstlinger, Director of the Colorado Department of Highways, and includes eight other chief administrative officers. In giving the Task Force its initial charge on April 2, 1982, the following comments were made:

> "The Task Force is asked to review the history of apportionments made under the program since 1957 and assess their fairness; review the apportionment formulas and the factors used therein and assess their appropriateness, effectiveness, fairness; and develop recommendations and proposed options on how apportionments should be made under Federal-Aid Highway programs resulting from expected Congressional action".

The Task Force has been asked to look at all of the significant Federal-Aid Highway categories, and to take into account both the individual category and overall total funding provided to member departments. The Interstate 4R program will be included in this effort, and we have been offered the cooperation of the Federal Highway Administration to help provide data and information. Clearly, the effort we have undertaken is directly related to what is proposed in Section 106 (b).

We would expect that our Task Force will take several months to complete its work, and at that time we will provide this Subcommittee with a copy of the report, if you so desire. Beyond that, Mr. Chairman, we would be pleased to cooperate with you and the Subcommittee on the apportionment issues you are concerned with, should you so desire.

2. The Appropriate Federal Role for the Secondary and Urban Programs

Our first observation with respect to the future of the secondary and urban programs relates to the overall level of funding now provided for the Federal-Aid Highway program. As discussed earlier, we are most concerned that current funding levels are not adequate to meet present highway needs. Given limited funding, we believe available funding should be concentrated according to the priorities I have listed earlier. Should current levels of funding not be significantly increased, this would necessarily mean that little or no funding would remain for the secondary and urban programs, and accordingly we would then need to question their continuation.

This does not mean that we favor a phase-out of the secondary and urban programs at this time, although we might give consideration thereto if an acceptable program of turnbacks to the states can be devised under President Reagan's New Federalism concept. Rather, we believe that the present secondary and urban programs are important, and that they should have their funding increased to off-set the effects of inflation.

Clearly, certain elements of the secondary and urban highway system are an essential part of our national highway network. Thus, there should be national concern about at least these segments, and it is proper for the Federal-Aid Highway program to take them into account.

We do believe that state and local governments should be allowed the maximum flexibility in utilizing funds made available for the secondary and urban systems, and have taken note of the block grant approach contained in S.2315. The provisions of S.2315 would appear to offer good flexibility in addressing rural and urban highway needs. But at the same time, the currently designated secondary and urban systems would be eliminated, and instead funding could be utilized anywhere on the two systems. We do have some concerns about this, in the context of a national highway system. Ideally, we would like to see Federal funding concentrated on Federal-interest highways, while at the same time allowing state and local governments considerable flexibility in utilizing the money on these highways.

In any case, assuming adequate Federal funding, we believe there is clearly a Federal role with respect to those elements of the secondary and urban highway systems that are a part of the national highway network.

3. Category Consolidation

Mr. Chairman, we are in strong support of efforts to consolidate the many present categories of the current Federal-Aid Highway program into a much smaller number of broader, more flexible categories. We find S.2315, like S.1024 of last year, to be a significant proposal toward the kind of category consolidation we would like to see, and applaud your efforts toward this goal.

In the judgement of AASHTO, the Federal-Aid Highway program should be consolidated into the following basic categories:

1. Interstate Completion
2. Interstate 4R
3. Bridge
4. Primary System
5. Urban System
6. Secondary System
7. Safety

The first two of these categories now exist, the Interstate 4R program having been created in P.L. 97-134.

We believe that the current bridge program, with some amendments to improve funding allocation, should be continued and given a high priority. We have thus far just begun to attack the national bridge problem, and much remains to be done.

We believe that the current Federal-Aid Primary program is sound and effective, and we would like to see it continued. It does require additional funding, however, to off-set the problems caused by inflation.

The current urban system program has been useful, and certainly we have not met all of our urban highway needs. Moreover, we believe there is a clear Federal interest as to the level of service provided by certain of our urban highways, and in assuring that adequate roadways exist for the operation of our public transit systems.

As to the secondary or rural program, we believe that continuation of a dedicated secondary system is desirable, but at the same time, we think the rural program should be given the maximum possible flexibility, because of the widely varying conditions and needs found nationwide.

Finally, we support continuation of a Federal-Aid safety program, one that will assure a continued focus on highway safety and which will provide funding for certain types of projects. But at the same time, we strongly believe that the many individual categories in the present safety program do not lead to a well administered program, and instead often tend to emphasize lesser needs over more important ones. We favor a single, broad categorical program, with a construction component and a safer driving component, and which allows the states maximum flexibility in the use of funds.

4. Criteria for Allocating Discretionary Bridge Funds

Mr. Chairman, AASHTO strongly supports continued Federal-Aid to meet our bridge needs, as we have stated. At the same time, we recognize that there is need to improve how the funds are allocated. We believe that the program should concentrate on major deficiencies, and that the basis for funding should be changed from the implicit cost-to-complete process we now have to a more equitable allocation formula.

Given our basic position as just stated on the allocation of Federal-Aid Bridge funds, it appears that Section 105 of S.2315 concerning Discretionary Bridge Criteria is a step in the right direction. If a priority funding procedure can be devised that is generally acceptable, it would help assure the meeting of our most critical bridge needs. Given that we have limited funding available for bridges as compared to the total need, it makes sense to adopt a priority system.

We are not prepared at this time to comment specifically on the seven criteria listed in Section 105, except to note that all the factors enumerated appear to be rational. We may want to suggest other factors, or propose a weighting system for those which have been advanced. We are referring S.2315 to our Highway Subcommittee on Bridges for review and comment, Mr. Chairman, and will be pleased to provide a further response on this issue at a later time.

5. Certification Acceptance Procedures

The Certification Acceptance Program has been utilized in many areas of the nation, and found to produce good results. We support any improvements that will make this program easier to use, and which will extend its usage to more projects.

Looking at S.2315, we note language that will allow a change in the manner of making final inspections on projects done through the certification acceptance procedure. In the past, the inspection areas has produced some unnecessary delays, and we believe the approach suggested is a good one. We also have noted Section 134 of S.2315, calling for a demonstration effort by the Secretary of Transportation seeking further ways to reduce the time required to complete highway projects. We applaud any program that will produce significant time savings while still assuring well built facilities, particularly in this time of inflation.

In summary, AASHTO supports the concept of the certification acceptance procedure, and will be pleased to see improvements in the program.

6. Transferability of Funds Among Federal-Aid Programs

Mr. Chairman and members of the Subcommittee, AASHTO strongly supports giving the states and local governments the ability to effect transfers among the programs of the Federal-Aid Highway program, within certain limitations. More specifically, our adopted policy recommends the following:

A. Interstate transfers:

- A state should be allowed to transfer up to fifty percent of its Interstate funds between completion and 4R.
- If a transfer is permanently made from Interstate completion funds, then the state's cost-to-complete estimate should be decreased by the amount transferred.
- Borrowing between the two Interstate program elements, completion and 4R, should be allowed at the discretion of the state, and states should have the option of repayment to completion apportionments in lieu of the withdrawal of segments.

B. Non-Interstate tranfers:

- A state should be allowed to transfer up to twenty-five percent of the funds in any non-Interstate category to another non-Interstate category, at its discreation.
- Transfers above twenty-five percent should be allowed, with the approval of the Secretary of Transportation.

Mr. Chairman, we have noted that Section 112 of S.2315 provides an ultimate degree of transferability in certain programs, and that the proposed urban and rural programs in effect provide great flexibility in the use of funds. We do have some concerns that there be some minimum restraints on transferability along the lines we have set forth, to assure an acceptable level of service is maintained on all significant portions of the national, Federal-interest highway network.

We are disappointed that our recommendations for transferability within the Interstate program have not yet been accepted within Congress. We believe these or similar transfer provisions are necessary, if many States are to properly address their unique problems with the Interstate system.

In some states, the basic problem is completing gaps on the Interstate system. The present need for doing Interstate 4R work is not too great in these states, and thus the state would like to borrow Interstate 4R money and utilize it to close gaps in the system. Other states are faced with a deteriorated Interstate system having segments that need immediate attention, and which should take priority over closing gaps; they need the ability to transfer from completion, so as to restore present Interstate highways before the costs of rehabilitation become excessive.

We would urge that you give our Interstate recommendations careful consideration.

Finally, Mr. Chairman, we are not in favor of transfers between the Interstate and the non-Interstate programs. We feel that the result might be to see resources drained away from the highest priority national highway system, the Interestate. Referring again to comments made earlier, we believe that the Federal-Aid Highway program should always keep in mind funding priorities like those we have set out, with Interstate being the prime Federal-Aid system.

Mr. Chairman and members of the Subcommittee, that completes our comments on the issues you asked that we specifically address. We would now like to offer comments in some other areas:

Obligation Limitations and Allocation Formula

We continue to oppose the imposition of obligation ceilings on the Federal-Aid Highway program, a procedure which has adversely affected the overall program in at least the following ways:

1. The ceilings have caused lengthy delays in a number of large Interstate projects, which because of inflation have greatly increased the cost to complete the projects.
2. Because obligation ceilings limit a state's ability to contract its entire authorized apportionment, several states are being denied the ability to utilize supposedly available Federal aid.
3. Where state matching funds are raised and reserved on the basis of Federal-Aid Highways authorized apportionments, a build-up of state funds occurs when obligation ceilings then place a lower cap on allowable spending. This can result in locking up state funds needed elsewhere, and complicates the overall administration and operation of the Federal-Aid Highway program in affected states. My state of New Hampshire is one so affected.
4. Obligation ceilings tend to work against contracting major projects because of insufficient available funding, and work in favor of advancing smaller projects; this in turn places a bias in the whole highway program, especially Interstate completion.
5. The obligation celings also result in an accumulation of user revenues in the Highway Trust Fund, where they are utilized to balance the Federal budget rather than build the highways promised to the users when the taxes were levied and collected.

For all of these reasons, we believe that the obligation ceiling concept should be abandoned. As to the limitation proposed in the Bill on first quarter obligations during FY83, we also oppose this control measure as being unnecessary and againcausing complications in program management. We believe that it is in the national interest to allow the highway program to be managed by the states so as to use available tax dollars for maximum benefit, and this cannot be achieved when such arbitrary controls are imposed.

Interstate Substitution Projects

Since the 1973 Act was passed, some 18 states have withdrawn Interstate segments, acting in good faith that they would be allowed to utilize funding earmarked for the withdrawn projects on other approved, substitute transportation projects. However, Congress has not provided the funding for substitute projects at a level commensurate with the contracting ability of the states and local governments on the substitute projects. Accordingly, there is now a very large backlog in the Interstate substitution program.

This backlog is a problem to the states involved, and should be of concern to the Congress. AASHTO has expressed its concern about the issue, and initially recommended that the projects be funded from the Windfall Profits Tax. In the interim until this or some other financing arrangement can be devised, we support funding the highway substitute projectsfrom the Highway Trust Fund, with the transit projects continuing to be funded out of general revenues.

As an Association, we remain concerned about this problem, and urge you to give it your full consideration.

On behalf of six states who have developed a position paper on the funding of Interstate substitution projects, we want to submit their paper for your consideration. We want to point out that the paper does not represent official AASHTO policy; however, it does represent the viewpoints of most, if not all, of the 18 states concerned with the Interstate substitution problem.

Specific State Requests

Mr. Chairman, in preparing for this testimony we offered to our member departments that if they had any specific comments to offer relative to this Bill and the issues it addresses, we would be pleased to transit testimony on their behalf to you today. The Colorado State Department of Highways has forwarded us a letter in response to that notification, dealing with funding for C-470 Highway, an Interstate Transfer Substitution Project. We are submitting that letter with our testimony, and ask that it be made a part of the record. I would note that the situation as described by Jack Kinstlinger, Executive Director of the Colorado State Department of Highways, is similar to that in which many of the other 17 states having Interstate Substitution Projects find themselves.

Mr. Chairman and members of the Subcommittee, this concludes our testimony before you today. We may have further comments to offer on specific issues, and of course we stand prepared to respond to any questions you might advance.

I appreciate very much this opportunity to make our views known, and as a parting comment we again emphasize that the overriding concern in the Federal-Aid Highway program today is the need for significantly increased revenue.

Thank you.

COLORADO STATE DEPARTMENT OF HIGHWAYS

April 13, 1982

Frank Francois
Executive Director
AASHTO
444 N. Capitol St., NW
Washington, DC 20001

Dear Frank:

Attached is a position paper requesting timely and adequate funding for C-470 Highway, an Interstate Transfer Substitution Project.

Please submit this as testimony before the Senate Transportation Appropriations Subcommittee on April 21 on behalf of the State of Colorado and the Denver, Centennial, Lakewood and Golden Chambers of Commerce.

Very truly yours,

JACK KINSTLINGER
Executive Director

Attachment

4201 EAST ARKANSAS AVENUE DENVER, CO 80222 (303) 757-9011

COLORADO 470: A REAFFIRMATION OF SUPPORT

As proposed, the Colorado 470, or Centennial Parkway, project is a 26-mile-long, four-lane parkway beginning slightly south of the present interchange of County Line Road and I-25 and following the current County Line Road corridor, stretching west past Santa Fe Drive and then looping north to its termination with I-70, near the foothills.

THE NEED

The need for Colorado 470 (or C-470) is now more acute than nearly a quarter century ago when a circumferential route in this vicinity was first envisioned and certainly more acute than five years ago when the present concept of the C-470 project was agreed to. Development and traffic pressures continue in the south, southwest and west regions of the Denver metropolitan area. Many of the developments that were only proposed when the Final Environmental Impact Statement was approved in 1980 are now well underway. In particular, the southwest quadrant is the location of a number of major projects.

Today the area[1] that would be most directly affected by C-470 is experiencing massive population and employment growth. It is conservatively estimated that the area to be served by C-470 currently has a population of 150,000 and an employment base[2] of 50,000 people. Today's scenario illustrates the acute need for C-470. But this need is emphasized even more when the population and employment projections for the year 2000 are forecasted. It is conservatively estimated that 300,000 people will reside in the area while 200,000 people will be employed in the area.

These large increases in population and employment translate into massive traffic projections for the southwest quadrant of the Denver metropolitan area. With completion of C-470, it is estimated that the facility will carry 50,000 vehicles per day by the year 2000.

Without C-470 the existing road network will become more congested due to increased traffic, air quality will worsen along the corridor due to stop-and-go traffic and traffic safety will continue to deteriorate.

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[1] The C-470 impact area includes the County Line Road area, Jefferson Foothills Douglas County/Arapahoe County, Lakewood, South Central Metro Area, South Denver, Southeast Jefferson County.

[2] Employment based on the following projects, including but not limited to: Academy Park; Arapahoe Airport Center; Broadway Industrial Park; Corporate Center; Denver Technological Center; Denver West; Dove Valley Center; Golden Energy Park; Greenwood Lakes; Greenwood Plaza; Greenwood Plaza South; Highland Park; Highlands Ranch; Highline Professional Center; Inter Plaza West; Inverness Industrial Park; Jefferson Judicial Center; Justin Executive Park I; Justin Executive Park II; Ken Caryl; Lincoln Park East; Meadows/West Meadows; Meridian Office Park; Overlook Park; Park Meadows Residential; Parkmoor; Potomac Park; Southbridge; Southfield Industrial Park; Southgate Business Park; Southglenn Shopping Center; Southpark; Southwest Plaza.

Escalating land values along the corridor rise at an average rate of 2.5% per month.[3] At that rate for each month that the project is delayed, the total cost to taxpayers for one year is $7.2 million.[4]

THE HISTORY

The need for a southwest circumferential route in the southern Denver metropolitan area was first stated in a 1958 report prepared by the forerunner to the Denver Regional Council of Governments (DRCOG). Shortly after the Federal-Aid Highway Act of 1968 authorized additional circumferential mileage on the Interstate System, the Colorado Department of Highways requested the addition of Interstate 470 (I-470) to the Interstate System. I-470 was authorized as part of the Interstate System in 1968 and has been included in regional plans since that time. An I-470 corridor location study was conducted in 1970 and impact studies on parks and recreation resources were conducted in 1971.

In 1972, the Colorado Department of Highways submitted a Final Environmental Impact Statement for the I-470 project, recommending a circumferential highway similar to the proposed route location for Colorado 470 (C-470). The statement was reviewed by the Federal Highway Administration and other governmental agencies. Questions arose regarding air quality, alternate modes of transportation, alternate highway alignments and effects on land use. As a result of these questions and concerns, the Department of Highways was directed by the Federal Highway Administration to revise the I-470 Environmental Impact Statement in June 1975.

The proposed I-470 project became increasingly controversial and was opposed by Governor Lamm and other special interest groups concerned about the project's impact on the environment. In June 1975, Governor Lamm, responding to the concerns of a great number of citizens, appointed a 12-member panel to analyze compromise solutions and determine whether the I-470 project or some alternative should be built. The panel, which became known as the I-470 Ad Hoc Commission, was created in the midst of an emotionally charged debate which was beginning to polarize various groups within the state. The issue was whether I-470 was needed and was socially and environmentally acceptable. Concurrently the Department initiated an intensive year-long study to remedy the deficiencies of the Environmental Impact Statement and to re-examine the transportation needs of the southwest quadrant of metropolitan Denver.

Using Highway Department studies, local government requests and public input, the Ad Hoc Commission developed a recommmendation. On December 17, 1976, the I-470 Ad Hoc Commission unanimously recommended to the Governor that Interstate 470 be withdrawn and that a portion of the funding be "transferred" to three specific substitute projects which better addressed the transportation needs of southwest Denver: Colorado 470 (a four-lane parkway), Santa Fe Drive corridor improvements and the widening and extension of South Kipling Street. The balance of the "transfer" funds was requested for other worthy transportation projects in the urbanized area in March 1978. Some of these projects emphasize increased high-occupancy vehicle and mass transit use.

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[3] Provided by the Colorado Department of Highways.

[4] The $7.2 million figure is based on the following: the total amount allocated for right-of-way along the C-470 corridor minus the amount already spent equals the amount needed to be spent to obtain remaining right-of-way. This remaining amount is then multiplied by 2.5% to obtain the $7.2 million yearly cost in delays to the taxpayer.

The recommendation, as required, was adopted by: the State Highway Commission; Arapahoe, Jefferson and Douglas Counties; the Cities of Littleton and Lakewood and the City and County of Denver. The recommendation was also endorsed by all municipalities, counties and service organizations in the affected area.

On July 28, 1977, Governor Richard D. Lamm signed the Interstate 470 Withdrawal-Substitution Proposal which was submitted to the Secretary of the Department of Transportation for approval. The Department of Transportation, through the Federal Highway Administration (FHWA) and the Urban Mass Transit Administration (UMTA), approved the proposal on September 30, 1977.

The Draft Environmental Impact Statement was circulated to the public in August 1978. Approximately 150 people attended the Route Location Public Hearing held in September 1978. All who spoke supported the project. After a detailed analysis and public involvement process the Centennial Parkway access control plan was announced in January 1979. The U. S. Department of Transportation approved the Final Environmental Impact Statement and Section 4(f) Statement in May 1980, and Route Location approval (environmental clearance) was granted in July 1980.

The Preliminary Design Hearing for Phase I (I-25 - Santa Fe) was held August 27, 1980. Public response to the project design plans for both C-470 and County Line Road was favorable. Preliminary Design Approval of Phase I was given by the Colorado Department of Highways on December 16, 1980. The Design Hearing for Phase II (I-70 to U.S. 285) was held on March 25, 1981 and Design Approval was granted by the Department of Highways on September 11, 1981. The Preliminary Design Hearing for Phase III was held on February 18, 1982.[5]

C-470 FINANCING

The C-470 project is funded with Interstate Transfer Highway Funds whereby the federal government provides 85% of the funds and the state provides a 15% match. The interstate interchanges (I-25 and I-70) are funded with the federal government providing 90% coupled with a state match of 10%.

While Congress is not legally required to make appropriations for this purpose (Interstate Transfer Projects), it is clearly the Congressional intent to do so and to honor the understanding created by an Interstate withdrawal. The United States Department of Transportation has indicated that it is dedicated to supporting budget requests that will permit the expeditious construction of substitute projects. It is believed that the federal government has not lived up to this understanding and intent.[6]

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[5] "Centennial Parkway History" from a Colorado Department of Highways pamphlet - February 18, 1982.

[6] This intention is reflected in a later publication entitled: "Interstate Transfer: A Handbook for Mayors", from a United States Department of Transportation publication - October 1980, p. 9.

As of January 1982, Colorado had received $54.8 million in Interstate Transfer Highway Funds. This represents 20.1% of the state's entitlement since 1977, the year that Colorado withdrew I-470 as an interstate project. The $54.8 million was allocated to the state in the following fashion:

Interstate Transfer Highway Funds (all projects)

	(millions)
1978 -	$4.1
1979 -	11.2
1980 -	14.4
1981 -	17.2
1982 -	7.9
TOTAL	$54.8

Colorado will receive $7.9 million in fiscal year 1982 which is only 4.2% of the state's remaining unfunded balance. Of this $7.9 million, $5.3 million will be allocated by the State of Colorado to C-470. As an indication of the commitment by the state and local interests to this project, an additional $10 million of state, developer and other federal highway funds have been budgeted to C-470 this year, resulting in a total construction program in 1982 of $15.4 million for C-470.

Of the $54.8 million in Interstate Transfer Highway Funds, the Colorado Department of Highways allocated $19.1 million[7] has gone to the C-470 project. This $19.1 million was allocated in the following manner:

C-470 Funds
(millions)

1978 -	$ 2.0
1979 -	1.9
1980 -	-0-
1981 -	10.4
1982 -	5.1
TOTAL	$19.4

When compared to other states' entitlement, Colorado's entitlement as a percent of its unfunded balance is lower than most other states whose Interstate withdrawal was approved in 1977 or earlier, and even less than for most states whose withdrawals were approved subsequent to 1977.

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[7] The low level of funding from Interstate Transfer Highway Funds allocated to the C-470 project represents the fact that the project did not receive approval of the Final Environmental Impact Statement until 1980.

THE ISSUE

The low level of funding forms the main point of contention. Based on federal legislation authorizing interstate substitutions and conversations between Colorado officials and federal officials, including members of Congress and their staff, it was understood that there exists a Congressional commitment that funding for substitute projects such as C-470 would be forthcoming on an equitable and timely basis. As illustrated in the previous sections, this commitment has not been honored.

A REAFFIRMATION

The support for C-470 was achieved after much debate by many diverse community groups. C-470 maintains that support today and the immediate need for the highway is reaching critical proportions.

With a doubling in population expected and a fourfold increase in employment anticipated in the area impacted by the C-470 project, it is estimated that the parkway will carry 50,000 vehicles a day by the year 2000. This compares with the estimated 13,300 vehicles a day that County Line Road, the main east-west arterial being used today in the corridor, presently carries. The 50,000 vehicles a day projected in the year 2000 is a realistic figure based on current and expected development in the C-470 impact area. The current road network does not accommodate the present demand. Only C-470, and related projects, will provide needed relief for the area's anticipated demand.

As demonstrated, the need for C-470 is apparent. But the need is not being addressed. Funding for the project has been reduced to unfortunately low levels. It is anticipated that the total cost of the parkway is $160.2 million plus $45.8 million for the I-70 and I-25 interchanges.[8] If the 1982 level of funding continues at $5.1 million per year, it will take 32 years for the project to be completed.

Under the current Colorado Department of Highways five-year plan, it is anticipated that roughly $30 million a year will be allocated to the state for all Interstate Transfer Highway projects. Of this amount, the Colorado Department of Highways projects that it could spend approximately $17 million a year for the C-470 project. This would result in a ten-year project period for completion of the parkway.

The Colorado Department of Highways estimates that it could responsibly spend upwards of $30 million per year on the project. Under this scenario it would take roughly five years to complete C-470, a much more acceptable time frame to respond to current development pressures.

Though Congress and the federal government are faced with the critical job of reducing federal spending to acceptable levels, it is believed that C-470 represents a critical need that must be addressed and should be funded at an acceptable and reasonable level. As the Colorado Department of Highways has demonstrated, a yearly appropriation of $30 million a year would be a reasonable and acceptable amount.

We again pledge our support for C-470 and encourage the federal government to reaffirm its funding commitment to the C-470 project, as well as other Interstate Transfer Highway projects like Santa Fe Drive and Kipling Street, that was intended in the Interstate withdrawal legislation.

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[8] The I-70 and I-25 interchanges are funded separately with Interstate Highway Funds.

THE FEDERAL INTERSTATE TRANSFER FUNDING PROGRAM

A Position Paper for Recommended Legislative
Changes Developed by a Coalition of State
Transportation Directors from the Following States:

Arizona, Colorado, Connecticut, Illinois, Iowa, Minnesota

April 1982

The Federal Aid Highway Act of 1973, as amended, authorizes the withdrawal of non-essential segments of the Interstate Highway System in or near urbanized areas and the substitution of public mass transportation or highway projects in or serving the same urbanized area.

As of the end of 1981, 25 withdrawals had been approved. These withdrawals represented nearly $10 billion of Federal fund availability of which $4.28 billion have been appropriated to date.

In all instances, the initiative to secure an Interstate withdrawal has come from Governors and local elected officials. Withdrawals have occurred because, with the passage of time, it became apparent to state and local officials that certain uncompleted portions of the Interstate System became undesirable or infeasible of completion because of environmental concerns, economic problems, or changing priorities. The Interstate Transfer Program was initiated by the Congress in order to permit state and local governments to withdraw non-essential segments of the Interstate System without a loss of federal funding and to permit these funds to be used for other highway and transit projects.

It is important that the Interstate Transfer Program be continued at increased funding levels. In this manner, state and local governments will be able to withdraw non-essential segments of the Interstate System without fear of losing Federal funds and thereby allowing the Interstate Highway System to be completed at the earliest possible time at minimal cost and least disruption. At the same time, it will allow the Congress to meet its commitments to those states and cities that have already withdrawn non-essential Interstate segments and to allow substitute projects to be constructed in a timely and equitable fashion.

Net amounts remaining to be appropriated as of the end of 1981 total nearly $5.7 billion. This amount could increase by several billion dollars because of withdrawals approved between now and the cutoff date, September 30, 1983. Assuming ten years to complete the Interstate Transfer Program and an annual inflation rate of 7%, the total cost to complete could well exceed $12 billion. Over the last several year the U.S. Congress has appropriated $600 million to $900 million a year. At this rate, it could well take nearly 15 to 20 years to complete the program. This is clearly not a realistic situation, especially given the fact that the Congress has established a deadline for start of construction of Interstate Transfer Projects of 1986. For this reason, it is essential that the Interstate Transfer Program not only be continued but continued at significantly increased funding levels to be allocated among Transfer states in an equitable fashion.

ISSUES

1. Deadline for Further Withdrawals and substitution
2. Deadlines for Start of Construction
3. Escalation of Available Funds
4. Funding
    a. General Fund vs. Trust Fund
    b. Allocations
        i) Highway Vs. Transit
        ii) Among States
5. Contract Authority
6. Federal Turnback Proposal
7. Funding Level

ISSUE:

Deadlines for futher withdrawals and substitution

ANALYSIS:

Section 103[e][4], Title 23, U.S.C. states that, "Substitute projects under this paragraph may not be approved by the Secretary under this paragraph after September 30, 1983 ...except that this sentence shall not apply to any route which on the date of enactment of the Federal Aid Highway Act of 1978 is under injunction prohibiting its construction." The Administration's draft bill "Federal Aid Highway Act of 1982" does not alter this language.

RECOMMENDATION:

It is recommended that the existing language be maintained.

* * *

ISSUE:

Deadline for start of construction

ANALYSIS:

The surface Transportation Act of 1978 states that "By September 30, 1986, ...all Interstate substitute projects pursuant to subsection [e][4] of section 103 of Title 23, United State Code (for which the Secretary finds that sufficient Federal funds are available) must be under contract for construction or construction must have commenced." This wording implies an automatic extension of the 1986 deadline if sufficient Federal funds are not made available. The Administration's draft 1982 Highway Act does not alter this language.

RECOMMENDATION:

It is recommended that the existing language be maintained.

* * *

ISSUE:

Escalation of available funds

ANALYSIS:

The existing Section 103[e][4], Title 23, U.S.C. states the cost of the substitute project shall be "...subject to increase or decrease, as determined by the Secretary based on changes in construction costs of the withdrawn route or portion thereof." The administration's draft 1982 Highway Act states that "Subsections [b] and [c] prohibit construction cost adjustments to the sums made available by withdrawals after the date Congress approves the 1983 Interstate System Cost Estimate. Until that date cost adjustments will continue to be made to the date of approval of each substitute project."

Continuing Interstate cost escalation beyond 1983 is absolutely essential. It is obvious that subsequent to the submission of a concept program, cost estimates for substitute projects will rise as the projects near final phases of design. Similarly, what may be an equitable substitute today will certainly not continue to be so if substitute funding is not inflation sensitive. States should not be penalized for trading in Interstate projects, that have the advantage of an escalation feature.

States noted that delays in completion of the Interstate substitution project are resulting primarily from the failure of the Federal Government to provide sufficient funds in a timely manner. To further penalize the States for these delays by eliminating the escalation clause is totally unfair. It is also unfair to change rules in the middle of the game.

RECOMMENDATION:

It is essential to retain cost escalation beyond 1983. The current quarterly adjustments based on the National Construction Cost Index must be retained.

* * *

ISSUES:

Funding (General Funds vs. Trust Funds: Highway vs. Transit; Annual Needs; Distribution among the States).

ANALYSIS:

The current law allocated $538 million nationally for mass transit substitute projects and $288 million nationally for highway substitute projects, all from General Funds. The Administration's draft 1982 Highway Act calls for $150 million for fiscal year 1983 and only $100 million for fiscal year 1984 through 1987 for highway substitute projects on a national basis from the Trust Fund and $400 million in 1983 for mass transit projects from the General Funds. The National Governor's Association has recommended that "Highway Interstate substitution projects should be financed from the Highway Trust Fund." The U.S. Senate's Committee on Environment and Public Works (Report No. 97-202; October 7, 1981) also recommended such a shift to the Trust Fund. However, the beleaguered Trust Fund simply does not currently have the capability to support the Interstate substitution program. It is only with a significant increase in revenues to the Highway Trust Fund (or some other new funding source such as an oil import fee) that such a shift would be appropriate. If such a switch takes place, highway transfer funds should be exempt from obligation ceilings. Otherwise, use of transfer funds would require an equivalent reduction to each State's authorizations in other Trust Fund program categories. Even with such an exemption, the proposed ceilings should not be permitted to be lowered to compensate for the funding of the substitution projects.

The Colorado Department of Highway's analysis indicates approximately $3.2 billion remaining ubobligated highway entitlement and approximately $2.2 billion remaining unobligated transit entitlement. Even though only 40% of the remaining ubobligated entitlement is tied to the transit mode, the fiscal year 1982 funding heavily favored the transit mode which received 65% of total Interstate Transfer Funds. The issue of equitable funding between the surface transportation modes can be resolved by moving the highway substitute program funding into the Trust Fund. Lacking such a shift, if general fund transfer appropriations will continue to be segregated by mode, each mode's remaining unobligated entitlement should drive the funding split between the modes. However, each State should be allowed to use its annual appropriation in the most effective way, regardless of mode, as long as both modes are funded from the General fund.

As of September 30, 1981, the remaining national unobligated entitlement for highways is $3,233 million and for transit $2,195 million. At the Administration's proposed funding level of $100 million per year for highways, it would take 33 years to complete the program; and that is only if there is no escalation and no further withdrawals. Practically speaking, the Administration's proposal leaves no end in sight for this program. Neither the Administration's proposal nor the current highway funding levels meet the federal commitments to the State's good faith withdrawal of Interstate segments. The same, to a somewhat lesser degree, can be said for transit substitutions.

The annual distribution among the states has not been responsive to the needs of the States. Unobligated entitlements generally reflect each State's needs and provides a reasonable basis for an allocation formula to allocate funds among the States. Formula funds, however, may be insufficient during the right-of-way and construction phases of some projects especially for major transit start-up projects, and may be excessive during the early environmental and design phases of other projects. Leaving some of the annually appropriated funds for federal discretion will temper the former problem; and requiring a nine month obligation period will address the latter problem. Again, the unobligated entitlements must be adjusted for escalation and all returned funds would be allocated at the Secretary's discretion after adjusting the unobligated balance to compensate for the returned funds.

RECOMMENDATION:

It is recommended that highway substitution projects be funded from the Highway Trust Fund but only after or concurrent with significant increases to Trust Fund revenues and that transit substitutions remain funded out of the General Fund. Also, if the General Funds continues to fund both highway and transit substitute projects and if separate allocations are made to each mode from the General Fund, the split between the modes must be commensurate with each mode's unobligated entitlement. If separate allocations from the General Fund are made to each mode, each State should be allowed to use its total allocation the most effective way possible, regardless of mode. Finally, regardless of funding source or mode, it is recommended that 75% of the annually appropriated funds be allocated to States based on each State's share of the total unobligated balance; 25% be distributed at Federal discretion; and that funds not obligated within nine months of availability be returned to be reallocated at the Secretary's discretion.

* * *

ISSUE:

Contract Authority (and funding laspe)

ANALYSIS:

Since the current legislation relies on annual appropriations from the General Fund, there is no ability for Contract Authority at this time. The Administration's draft 1982 Highway Act specifically prohibits Contract Authority. In addition, the Draft Act states that "Funds authorized for highway substitute projects will be available for four years as if they were primary funds." The Senate Committee in Environment and Public Works in 1981 recommended Contract Authority. If highway substitute projects are funded from the Trust Fund with a formula basis for distribution to the States as recommended previously, the States should be allowed Contract Authority, bonding capability and also advanced construction for funds allocated on a formula basis. It is also recommended that these funds be allowed to be obligated one year in advance of authorization as with Interstate funds and a nine month lapse period be established rather than the proposed four year period. Advance Construction and bonding capabilities would provide incentives for States to assume a larger role in prefinancing Interstate substitution completion and may provide a mechanism for creative financing and some private/State cost sharing for substitute projects.

RECOMMENDATION:

It is recommended that the States be granted Contract Authority, bonding capability, advance construction with federal reimbursement, and that a one year advance be established for the formula portion of Interstate substitution funds with a nine month lapse.

* * *

ISSUE:

Federal Turnback Proposal

ANALYSIS:

As a result of the President's New Federalism proposals, the National Governor's Association reviewed several programs for possible turnback to

States. As a result, the Association recommended "continuation of federal responsibility for Interstate Transfer substitute projects as part of the Interstate completion and preservation responsibility."

RECOMMENDATION:

It is recommended that Interstate substitutions remain a federal responsibility.

* * *

ISSUE:

Funding Level

ANALYSIS:

In concert with the federal efforts to realistically program the completion of the Interstate system, it would be appropriate to likewise realistically program the completion of the Interstate substitution program. There remains nearly $5.7 billion of Interstate substitution projects yet to be funded. Assuming that escalation and additional withdrawals will raise that figure to $12 billion by completion of the program, and assuming an eight year completion time frame (to permit completion in 1990) the annual funding requirement would be $1.5 billion.

RECOMMENDATION:

It is recommended that the Federal Government establish a reasonable time frame to complete the Interstate substitution projects and program sufficient funds on a multi-year basis to support that completion time frame. It is further recommended that completion be scheduled for 1990; initial funding be established at $1.5 billion per year and if split modally, funding should be $900 million per year for highways and $600 million per year for transit; and that these levels be adjusted periodically to account for further withdrawals and escalation.

HMG-1
As of 12/31/81

Interstate Transfers 103(e)(4)
As of 12/31/81 1/

State	Base Costs[2]	Net Amounts Remaining After Deductions Obligations	Obligations to 12/31/81 Mass Transit	Obligations to 12/31/81 Highway	Total Amounts Made Availal
Massachusetts	$ 603,216,900	$ 290,527,755	$1,113,406,191	---	$ 1,403,933
Pennsylvania (Philadelphia)	230,139,000	110,465,678	336,942,228	20,000,000	467,407
D.C. urbanized area (D.C., MD., & VA.)	1,351,555,600	249,925,926	1,826,280,583	19,822,361	2,096,028
Connecticut (Hartford)	189,373,500	384,031,444	7,582,268	27,444,667	419,058
Oregon (Portland)	244,070,898	350,132,155	32,035,344	92,879,462	475,046
Arizona	29,163,101	56,973,695	1,133,883	6,739,402	64,846
Oregon (Salem)	32,488,773	36,329,757	---	17,748,411	54,078
Illinois	1,464,370,200	1,966,010,014	80,104,255	364,874,898	2,410,989
Colorado	153,229,348	185,417,975	18,419,993	46,868,764	250,706
New York (Albany)	35,178,300	42,488,923	5,194,996	10,310,250	57,994
Minnesota (Minneapolis-St. Paul)	71,163,900	90,758,086	1,999,999	22,614,962	115,373
New York (N.Y. City)	118,679,400	155,124,287	66,000,035	45,172,449	266,296
New Jersey (N.Y. City Metro Area)	108,716,400	124,557,997	47,210,122	2,700,000	174,468
Ohio	147,860,100	219,050,221	---	27,169,750	246,219
Pennsylvania (Pittsburgh)	39,549,600	61,517,319	---	425,000	61,942
Nebraska	47,022,300	51,762,122	1,999,999	20,735,290	74,497
California (Sacramento)	57,737,509	89,921,489	500,000	---	90,421
Connecticut (Hart.-New Britain)	81,309,600	122,076,607	---	5,196,560	127,273
New Jersey (Phil. metro area)	71,336,700	111,717,261	---	---	111,717
California (San Francisco)	54,262,208	84,205,911	750,000	---	84,955.
Tennessee	171,629,100	266,188,772	2,599,980	---	268,788.
Minnesota (Duluth)	44,672,400	69,959,403	---	---	69,959.
Indiana	52,558,200	82,308,948	---	---	82,308.
Maryland	129,482,100	195,903,618	6,872,263	---	202,775.
Iowa	189,158,400	296,232,630	---	---	296,232.
TOTAL	$5,717,923,537	$ 5,693,587,993	$3,549,032,139	$730,702,226	$ 9,973,322.

NOTES:
(1) All costs are in Federal funds ($ millions).
(2) The "Base Costs" column represents the costs of the withdrawn routes as they were reported in the Estimate applicable to the specific action.
(3) The "Amounts Made Available" column represents the base costs adjusted to December 31, 1981, and includes obligations incurred prior to that date on 103(e)(4) substitute projects.

DISCUSSION PAPER ON AN INTERSTATE 4R DISTRIBUTION FORMULA

PREPARED BY THE AASHTO TASK FORCE ON
FEDERAL-AID HIGHWAY LEGISLATION

SEPTEMBER, 1981

AMERICAN ASSOCIATION OF STATE HIGHWAY
AND TRANSPORTATION OFFICIALS
444 NORTH CAPITOL STREET, N.W., SUITE 225
WASHINGTON, D.C. 20001

FOREWORD

This discussion paper was prepared by the AASHTO Task Force on Federal-Aid Highway Legislation, and approved for distribution by the AASHTO Executive Committee during its September 14, 1981 meeting. It is a supplement to AASHTO's "A Program for America's Highways in the 80's", and should be considered in conjunction with the recommendations made therein.

The paper is being published as a contribution toward establishing a fair and equitable distribution formula for funds provided for Interstate resurfacing, restoration, rehabilitation and reconstruction under a 4-R program expected to be established in new Federal-Aid Highway legislation. It makes no specific recommendations, but does analyze a number of factors that might be used in a formula, and examines and compares the distribution of funds that would result from different formulas.

Francis B. Francois
Executive Director

Current Federal-Aid Highways proposals advanced by the Administration as well as by both houses of Congress all call for an expansion of the Interstate 3R program into a 4R program which allows states substantially greater flexibility in preserving, expanding and/or rebuilding Interstate segments. In addition, the proposals recognize a permanent and growing commitment on the part of the Federal Government to protect America's Interstate System investment.

A continuing dialogue has taken place regarding the basis upon which this new program's resources should be distributed. In fact, more debate has been centered on 4R funding levels and distribution formulas than has been aimed at program scope and coverage. The fact remains that as the Interstate System reaches completion more and more federal resources probably will be put into the 4R program. Therefore, the stakes are high for each state as well as for the FHWA.

FEDERAL AND STATE PERSPECTIVES:

From the Federal perspective, Congress and the Administration want to ensure that their programs are targeted towards issues of major importance both in terms of the national transportation system and to their constituent states and districts. Further, the FHWA is also primarily interested in achieving a program which is effective in its scope, equitable in its coverage and easily administered. For these reasons, a distribution formula which creates controversy either through its complexity or its perceived inequity (or both) causes real problems which could ultimately jeopardize the entire program.

State perspectives range from those who perceive that their needs (in this case 4R) justify a greater percentage of the total program funding; to those who believe that they must maintain their "fair share" of any new program; to those who want to maintain the status quo; and to those who believe that a strong total program today will reap benefits for them in the future. Each of these and other positions can be justified. However, they cannot all be solved simultaneously with highly constrained funding. Therefore, if great care is not taken program decisions could result in a few big winners, some big losers and an overall inequitable distribution.

It was in this context that AASHTO's "A Program for America's Highways in the 80's" was developed and unanimously supported. Rather than viewing a successful highway program either in terms of a point in time or from a single program element, AASHTO took an overall view of needs and priorities. In terms of Interstate 4R program recommendations, these included:

- Expansion from 3R to 4R;

- Making deleted Interstate completion items eligible under this program;
- Substantially increased funding commitments with a 90% Federal share;
- Increasing this program's priority to the level of Interstate completion, and;
- Apportionment of funds on a usage based formula, weighing such determinable factors as age, lane miles, traffic volume and/or other measurable elements affecting pavement deterioration.

AASHTO SURVEY RESPONSE ON A 4R DISTRIBUTION FORMULA

In an effort to further define and clarify the States' wishes regarding this last point, AASHTO polled the members through a questionnaire asking for more specific recommendations.

Thirty states responded to the May 5, 1981 AASHTO questionnaire concerning the suitability of the 4R apportionment language contained in Section 105(a) of S.1024. The proposed apportionment formula reads as follows:

> "(B) For resurfacing, restoring, rehabilitating, and reconstructing the Interstate System:
>
> "60 per centum in the ratio that lane miles on the interstate routes designated under section 103 of this title (other than those on toll roads) in each State bears to the total of all such lane miles in all States; and 40 per centum in the ratio that vehicle miles traveled on lanes on the interstate routes designated under section 103 of this title (other than those on toll roads) in each State bears to the total of all such vehicle miles in all States. Notwithstanding the preceding sentence, no State excluding any State that has no interstate lane miles shall receive less than one-half of 1 per centum of the total apportionment made by this subparagraph for any fiscal year."

Twelve of the states responding to the survey considered the apportionment language adequate, while the remaining 18 states suggested that some changes be made to the apportionment formula. An overwhelming majority of the responding states consider some measure of lane miles and vehicle miles of travel to be necessary factors in the 4R apportionment formula.

Ten states suggested that age of lanes be considered in one form or another. Age measures suggested included using only those lanes open to traffic for five years or more (five states), 10 years or more (three states), 15 years or more (one state) and median lane age (one state). Several states recommended using a combination of lane miles and VMT for only those portions open for five years or more, similar to the method presently used under the 3R program. However, their weighting of the factors generally differed from the 3R formula calling for 75% lane miles and 25% VMT.

The inclusion of commercial truck VMT as a factor was also suggested by several of the respondents. One state preferred that VMT be dropped in favor of a new usage factor which more closely parallels deterioration. Either a factor of VMT weighted by percentage of truck traffic or the percentage of 18K axle equivalent loadings was mentioned as a possible replacement for VMT.

In addition to the above, a number of other factors were advanced. Included were factors such as accident rates, bridge decks, soil conditions and cost to restore. One state recommended that funds should be apportioned on the same basis as the Primary System formula.

The proposed weighting for the various factors was inconclusive. Even so, a clear majority of the states recommending lane miles and VMT as factors felt that lane miles should be given greater weight in the apportionment formula than VMT.

DISTRIBUTION FORMULA FACTORS

From this survey it is clear that a number of distribution factors have gained support by the states. In addition, some other approaches have been advanced (notably by New York and Pennsylvania). The following table briefly describes some of the major factors which have been advanced so far with some of their more distinctive advantages and disadvantages.

TABLE 1

POTENTIAL 4R APPORTIONMENT FACTORS

Factor	Advantages	Disadvantages
Lane Miles of Interstate (Total or stratified by age)	° Readily obtainable ° Good indicator since mileage relates directly to costs ° Relates to Interstate travel	° Roadway conditions vary ° Does not prioritize travel
VMT on Interstate	° Good indicator of usage of facilities ° Tied to population	° Inconsistencies among states in the way data is obtained and reported ° Automobile VMT questionable indicator of deterioration ° Data is subject to manipulation

Factor	Advantages	Disadvantages
Truck VMT on Interstate (Total or Percentage)	° Factor which closely parallels deterioration ° Good indicator of facility use ° Truck travel more closely reflects Interstate service needs	° Inconsistencies among states in data collection and reporting ° Subject to manipulation ° Differential classifications by states
Diesel Fuel Consumption	° Relates to truck traffic which is good indicator of deterioration ° Can reflect terrain, weather and existing roadway conditions	° Difficult to obtain for all states due to differences in record keeping ° Statewide fuel consumption does not necessarily reflect Interstate use, condition or need
Gasoline Consumption	° Readily obtainable by state ° Is accurately reported ° Directly related to travel ° Relates to terrain	° Relates mostly to auto VMT which is questionable indicator of deterioration ° Gasoline used on all facilities, not just Interstate ° Statewide gasoline consumption does not necessarily reflect Interstate use, condition or need
Automobile & Truck Registrations	° Readily obtainable by states ° Directly related to overall travel	° Would not reflect total travel for states which have large percentages of foreign travel (i.e., tourist or through truck travel) ° Not directly related to Interstate travel
Population	° Readily obtainable nationally ° Directly related to travel ° Not as subject to manipulation	° Population not necessarily directly related to miles of Interstate or deterioration ° Concentrations of population can distort Interstate travel relationships
Needs or Cost Estimate	° Accounts for mileage, age, usage & climate factors without having to measure these directly	° "Needs" sometimes translate into "wants" ° Difficult to obtain standardization for all states ° Credibility is suspect since "needs" always far surpass resources

Factor	Advantages	Disadvantages
Accident Rates	• Relates to both VMT & condition of roadways	• Correlation with travel & deterioration difficult to measure • Accident rates influenced by other factors such as enforcement, weather, etc. • Even under worst conditions, Interstate accident rates are much lower than on other facility types • Accident rates higher on urban Interstate than rural
Primary Apportionment	• States have had experience - it's "time tested" • Relates factors such as population and state size	• Does not include any Interstate factor • Does not account for condition, use, function, or priority

CURRENT LEGISLATIVE PROPOSALS

As was mentioned earlier, each of the bills under active consideration by the Congress calls for an expanded 4R program. Each of the proposals also calls for a 90% Federal share, and begins total authorization levels at $800 million for FY 82. Finally, each calls for an apportionment formula based upon Interstate lane miles and VMT, and includes a 1/2% minimum apportionment. The administration proposal apportions funds 50% on lane miles and 50% on VMT. For the first year no state, except Alaska, will receive a combined total of Interstate and 4R which is less than what the combined Interstate and 3R apportionment would have been under existing law for FY 83. S.1024 calls for 60% lane miles and 40% VMT. Finally, HR.3210 calls for 50% lane miles and 50% VMT. Table 2 compares the approximate Interstate 4R apportionments to the states under each of these proposals.

OTHER PROPOSALS

As we mentioned earlier, Pennsylvania and New York recently have proposed somewhat unique methods for distribution of 4R funds. The former has expressed support for a fuel-use based formula, 2/3 diesel fuel consumption and 1/3 gasoline consumption. The New York proposal would use the Federal-aid Primary System apportionment formula for 4R distribution. (see Appendix I-A for approximate apportionments under these approaches.)

In addition, Idaho has suggested consideration of an approach calling for even distribution between all states of 10% of the funds, with the remaining distributed on the basis of lane miles, VMT and age. (see various tables in Appendix II for State by State apportionments).

Another possible approach would be to distribute funds based on a formula which recognizes the different intended purposes and needs between 3R and the fourth R. One possible approach would be to base the distribution of funds on a formula such as the current 3R formula for roadway preservation purposes and on VMT or some other factor for the fourth R, since these projects tend to relate to capacity and travel service needs (apportionment estimates are provided in Appendix I-B). The apportionment estimates shown are for comparison purposes only and do not reflect a consensus as to what the funding split should be between 3R and the fourth R nor what the fourth R factor should be.

An approach has been identified which would include three components for 4R distribution including lane miles, items deleted from the ICE under the new completion definition and a measure of truck traffic. (Appendix I-C estimates apportionments under this approach.)

Finally, an approach has emerged which would add toll roads into the apportionment formula outlined in the Administration's bill, S. 831 (see Appendix I-D).

FHWA - AASHTO MEETING

At its Dallas meeting, the AASHTO Executive Committee examined all of the proposals and issues herein mentioned. It became clear that even with the many options which have or could be developed none will completely satisfy the wants and needs of all concerned parties - States, sub-state jurisdictions, public interest groups, private industry nor the federal government. However, the Committee also felt that a continued dialogue between the FHWA and AASHTO might cast additional light on the problem and lead to a satisfactory compromise. Therefore, the Executive Committee directed the Task Force on Federal-Aid Highway Legislation to seek a meeting with top FHWA officials to discuss the Interstate 4R Program including concerns regarding the manner in which funds are to be distributed.

The meeting was held on July 20, 1981 in Washington D.C. While many proposals or elements of proposals were discussed regarding impacts, strengths and weaknesses, the Task Force continued to stress the policy position enunciated in AASHTO's "A Program For America's Highways in the 80's".

At least three conclusions can be drawn from this meeting. First, that under the limited funding which is anticipated for the Interstate 4R Program, States will not be able to maximize federal resources to meet all of their Interstate preservation and capacity needs. This is likely to be the case even if a redefined completion program is successful and additional resources are shifted towards preservation. A continued commitment to achievement of a complete Interstate system by the States will be critical in developing a truly effective ongoing Interstate Program. Secondly, that a review of the entire Interstate issue underscores the need for State flexibility in the use of funds during the transition between completion and ongoing preservation. During the meeting it was recognized that a number of states have unique conditions which are largely ignored by a preservation distribution formula which is limited to Interstate lane miles and vehicle miles of travel. The FHWA agreed to analyze

Interstate toll roads and travel (see Appendix I-D) and to consider allowing states the option of borrowing between Interstate construction and Interstate 4R as a transitionary measure. This flexibility of use should be a major objective in addition to securing additional federal funding sources to support completion and preservation of the System. Finally, that continued diligence on the parts of the States will be required to get federal legislation passed which will maintain continuity of the Interstate Program for the near term and to achieve an ongoing federal commitment level to support and protect the Interstate system in the longer term.

TABLE 2

ESTIMATED 4R APPORTIONMENTS FOR FY 82
UNDER S.841. S.1024. HR.3210

(Dollars in Millions)

State	S.841[a]		S.1024[b]		HR.3210[c]
	1st Year	2nd Year	1st Year	2nd Year	
Alabama	3	22.4	14.1	22.9	13.8
Alaska	0	-0-	-0-	-0-	-0-
Arizona	12	26.6	17.2	28.0	16.3
Arkansas	11	15.4	9.6	15.6	9.5
California	117	123.3	72.2	117.3	75.9
Colorado	9	24.6	15.5	25.2	15.1
Connecticut	31	16.9	9.8	15.9	10.4
Delaware	16	6.3	3.9	6.3	3.9
Dist. of Columbia	4	6.3	3.9	6.3	3.9
Florida	4	39.5	23.8	38.7	24.3
Georgia	35	45.6	27.1	44.1	28.1
Hawaii	4	6.3	3.9	6.3	3.9
Idaho	4	12.4	8.3	13.5	7.6
Illinois	23	50.9	31.1	50.5	31.3
Indiana	25	33.8	20.5	33.3	20.8
Iowa	3	18.4	11.8	19.2	11.3
Kansas	4	14.6	9.5	15.5	9.0
Kentucky	56	23.8	14.5	23.5	14.6
Louisiana	3	20.2	12.5	20.4	12.4
Maine	12	6.3	3.9	6.3	3.9
Maryland	3	18.8	10.7	17.4	11.5
Massachusetts	3	19.4	11.2	18.1	12.0
Michigan	22	44.1	26.6	43.2	27.1
Minnesota	4	24.6	15.5	25.2	15.1
Mississippi	18	15.7	10.2	16.6	9.7
Missouri	24	37.5	22.8	37.1	23.0
Montana	4	19.3	13.5	21.9	11.9
Nebraska	19	11.9	7.7	12.5	7.3
Nevada	3	10.3	6.9	11.2	6.3
New Hampshire	6	6.3	3.9	6.3	3.9
New Jersey	2	15.8	9.3	15.1	9.7
New Mexico	16	21.4	14.2	23.1	13.1
New York	4	31.0	18.6	30.3	19.1
North Carolina	24	25.4	15.4	25.0	15.6
North Dakota	18	10.5	7.3	11.9	6.5

a) Based on data provided by Pennsylvania DOT. Includes hold harmless clause for first year.

b) Estimates provided by FHWA. Includes 1/2% minimum.

c) Estimates provided by FHWA. H.R. 3210 does not include 2nd year appropriation.

TABLE 2 (Con't)

(Dollars in Millions)

State	S.841[a]		S.1024[b]		HR.3210[c]
	1st Year	2nd Year	1st Year	2nd Year	
Ohio	17	54.2	32.2	52.4	33.4
Oklahoma	7	18.7	11.7	19.0	11.5
Oregon	3	19.8	12.5	20.3	12.2
Pennsylvania	4	37.7	23.0	37.4	23.2
Rhode Island	4	6.3	3.9	6.3	3.9
South Carolina	6	20.0	12.6	20.5	12.3
South Dakota	17	12.6	8.6	13.9	7.7
Tennessee	32	35.3	21.4	34.7	21.7
Texas	64	104.6	63.8	103.8	64.4
Utah	3	18.9	12.4	20.1	11.7
Vermont	16	6.3	4.3	6.9	3.9
Virginia	4	33.9	20.6	33.4	20.9
Washington	24	28.4	17.0	27.7	17.5
West Virginia	1	9.7	6.2	10.1	6.0
Wisconsin	18	19.1	11.6	18.8	11.8
Wyoming	12	16.4	11.3	18.5	10.1
TOTAL	778	1267.5	780.0	1267.5	780.0

[a] Based on data provided by Pennsylvania DOT. Includes hold harmless clause for first year.

[b] Estimates provided by FHWA. Includes 1/2% minimum.

[c] Estimates provided by FHWA. H.R. 3210 does not include 2nd year appropriation.

OVERALL CONCLUSIONS

The following statement has been approved as AASHTO policy by member Departments and reflects a sense of the Task Force's ongoing efforts regarding Federal Highway legislation:

"The Task Force on Highway Legislation strongly recommends continued support of the policies and philosophies embodied in AASHTO's "A Program for America's Highways in the 80's." Rather than revising AASHTO's position to reflect "current political realities," the Task Force recommends an active reaffirmation of the position statement that was unanimously approved by the Policy Committee last Fall. This could be seen by some as lessening AASHTO's impact on the legislative process by ignoring political realities. The Task Force believes, to the contrary, that our position reflects a professionally sound judgment as to what is required from the Federal government over the decade. It is not a program for 1981, but for the decade and its value should not be judged entirely by the number of its elements which are ultimately embodied in this year's bill. AASHTO should continue to press for long term solutions to this nation's Transportation problems and not get embroiled in short sighted controversies which pit member states against each other.

In the advent that AASHTO is requested to respond to short term priorities under highly constrained funding conditions, the priorities advanced in "A Program for America's Highways in the 80's" should be supported. While short term accelerated draw down strategies could be effectively employed, it should be understood that these will only serve as temporary stop gaps which will still require more permanent solutions. Further, the current and near term condition of the Interstate System, the Primary System and the Nation's bridges demand significant and continuing Federal funding. While adjusting matching ratios may give the appearance of continuing Federal commitments, lower Federal shares allow for less money to be spread among more programs with attendant Federal regulations.

Therefore, it is recommended that AASHTO continue to support the concept of Federal involvement in those programs of truly national significance. Further, if inadequate funding is to be forthcoming in the short run, that these funds be concentrated and focused on adequate support for the few highest priorities as opposed to inadequate support to many."

In recognition that there is no single optimal basis upon which preservation resources are to be allocated, the task force is not prepared to recommend any specific 4R distribution formula. It strongly urges however, that whatever formula is selected be as fair and equitable as possible. Toward that end, it is hoped this paper will be helpful in examining available options.

The language quoted above represents an AASHTO approved policy position and should be useful in providing guidance in the final development of an agreed-upon Federal-Aid Highway program. Further, that statement also reflects a strong longer term view which can be of assistance in the ongoing evolution of Federal, State and Local responses to this nation's transportation needs.

APPENDICES

The attached tables are provided for illustration purposes regarding many of the 4R Approtionment proposals which have been proposed thus far. Appendix I includes estimates on several of the non-federally developed methods, while Appendix II generally reflects various adjustments or assumptions to the approaches being considered by the Congress. The latter set of tables was prepared and distributed by the FHWA staff at the July 20, 1981 meeting with the AASHTO Task Force.

For clarification purposes references in Appendix II are made to FHWA option V and AASHTO options 10-70/20/10 and 10-65/25/10. The first option is an alternative under FHWA staff consideration which would eliminate the lane restrictions proposed in S-831. The latter two options are the approaches suggested by Idaho, briefly described earlier.

APPENDIX I-A

COMPARISON OF APPORTIONMENT FACTORS UNDER PRIMARY AND FUEL CONSUMPTION DISTRIBUTION APPROACHES (IN MILLIONS OF DOLLARS)

State	Primary Apportionment[a]	Fuel Consumption[b]
Alabama	15.1	15.3
Alaska	-0-	3.9
Arizona	11.0	11.4
Arkansas	11.3	10.1
California	54.0	69.3
Colorado	12.6	8.8
Connecticut	8.1	7.0
Delaware	3.9	3.9
Dist. of Columbia	1.4	3.9
Florida	21.7	27.6
Georgia	19.2	23.5
Hawaii	3.9	3.9
Idaho	7.3	4.1
Illinois	33.3	36.7
Indiana	18.9	26.5
Iowa	15.4	13.9
Kansas	14.1	11.2
Kentucky	13.9	12.5
Louisiana	13.6	15.1
Maine	5.6	3.9
Maryland	11.1	10.0
Massachusetts	14.2	12.1
Michigan	28.4	23.7
Minnesota	18.5	15.5
Mississippi	12.1	9.6
Missouri	20.5	19.6
Montana	10.8	4.8
Nebraska	10.7	7.2
Nevada	7.1	3.9
New Hampshire	3.9	3.9
New Jersey	16.7	19.8
New Mexico	9.8	7.6
New York	46.2	25.8
North Carolina	21.0	21.5
North Dakota	7.6	3.9

a) Provided by New York DOT. Based on 1970 population.

b) Based on fuel consumption data contained in Federal Highway Administration publication "Highway Statistics 1979". Includes gasoline. diesel and other special fuels.

APPENDIX I-A (Con't.)

State	Primary Apportionment[a]	Fuel Consumption[b]
Ohio	31.8	40.0
Oklahoma	13.6	15.4
Oregon	11.7	12.6
Pennsylvania	36.5	39.0
Rhode Island	3.9	3.9
South Carolina	10.9	12.4
South Dakota	8.1	3.9
Tennessee	16.5	20.0
Texas	48.4	64.1
Utah	7.3	5.5
Vermont	3.9	3.9
Virginia	17.8	18.2
Washington	13.6	13.3
West Virginia	8.1	5.6
Wisconsin	18.0	16.6
Wyoming	7.0	4.2
TOTAL	780.0	780.0

a) Provided by New York DOT. Based on 1970 population.

b) Based on fuel consumption data contained in Federal Highway Administration publication "Highway Statistics 1979". Includes gasoline. diesel and other special fuels.

I-B ESTIMATED APPORTIONMENTS FOR FY 1982 ASSUMING THE "3R PLUS FOURTH R" APPROACH

(In Millions of Dollars)

	3R Element * (65%)	Fourth R ** (35%)	Total***
Alabama	9.0	4.3	13.3
Alaska	-0-	-0-	-0-
Arizona	12.3	4.2	16.5
Arkansas	6.7	3.1	9.8
California	44.1	32.9	77.0
Colorado	10.8	4.6	15.4
Connecticut	6.2	4.8	11.0
Delaware	---	---	3.9
Dist. of Columbia	---	---	3.9
Florida	13.8	9.4	23.2
Georgia	14.2	11.5	25.7
Hawaii	---	---	3.9
Idaho	6.2	1.4	7.6
Illinois	19.5	11.4	30.9
Indiana	13.1	7.8	20.9
Iowa	8.2	3.1	11.3
Kansas	7.0	2.2	9.2
Kentucky	8.8	5.3	14.1
Louisiana	7.4	4.1	11.5
Maine	---	---	3.9
Maryland	6.7	5.4	12.1
Massachusetts	7.0	5.6	12.6
Michigan	16.7	10.4	27.1
Minnesota	10.0	4.6	14.6
Mississippi	7.4	2.4	9.8
Missouri	15.1	8.4	23.5
Montana	9.8	1.3	11.1
Nebraska	5.7	1.9	7.6
Nevada	5.2	1.2	6.4
New Hampshire	---	---	3.9
New Jersey	5.9	4.2	10.1
New Mexico	10.6	2.8	13.4
New York	12.3	7.4	19.7
North Carolina	9.5	5.8	15.3
North Dakota	5.6	0.8	6.4

* 3R Element Based on 75% Lane Miles, 25% VMT

** 4th R Element Based on Interstate VMT

*** Assumes 1/2% minimum to states with Interstate Mileage

I-B Cont'd

	3R Element * (65%)	Fourth R ** (35%)	Total***
Ohio	20.8	13.6	34.4
Oklahoma	8.0	3.7	11.7
Oregon	8.8	3.8	12.6
Pennsylvania	14.9	8.4	23.3
Rhode Island	---	---	3.9
South Carolina	8.2	3.8	12.0
South Dakota	6.2	1.2	7.4
Tennessee	13.9	8.3	22.2
Texas	41.1	23.4	64.5
Utah	8.5	2.9	11.4
Vermont	---	---	3.9
Virginia	12.8	7.9	20.7
Washington	10.8	6.9	17.7
West Virginia	4.4	1.6	6.0
Wisconsin	7.4	4.5	11.9
Wyoming	8.4	1.4	9.8
TOTAL	489.0	263.7	780.0

* 3R Element Based on 75% Lane Miles, 25% VMT

** 4th R Element Based on Interstate VMT

*** Assumes 1/2% minimum to states with Interstate Mileage

I-C

INTERSTATE 4R PROGRAM

PROPOSED APPORTIONMENT FORMULA FACTORS

AASHTO Task Force On Highway Legislation

1/3
3x

State	1/3 a) '79 Int. Lane Mi.	1/3 b) Cost Of 4th R	c) d) '79 Spec. Fuels Consump.	c) '79 Gasoline Consump.	Weighted Apportionment Factor	1/2% Min. Adjust	Apportionment ($ Million)
Alabama	1.98	1.56	2.08	1.88	1.856	1.816	14
Alaska	----	----	0.09	0.16	0.036	0.500	4
Arizona	2.71	1.80	1.62	1.25	2.012	1.968	15
Arkansas	1.31	0.82	1.50	0.98	1.166	1.141	9
California	7.49	14.84	8.36	10.57	10.411	10.186	79
Colorado	2.23	2.22	1.05	1.37	1.860	1.820	14
Connecticut	0.93	4.42	0.76	1.24	2.076	2.031	16
Delaware	0.08	----	0.19	0.28	0.098	0.500	4
Dist. of Col.	0.05	0.72	0.12	0.18	0.302	0.500	4
Florida	2.84	2.36	3.27	4.36	2.915	2.852	22
Georgia	3.04	5.35	3.25	2.75	3.838	3.755	29
Hawaii	0.13	0.36	0.13	0.29	0.220	0.500	4
Idaho	1.44	0.24	0.57	0.46	0.741	0.725	6
Illinois	3.91	2.46	4.93	4.60	3.740	3.659	28
Indiana	2.51	2.03	3.93	2.55	2.710	2.652	21
Iowa	1.78	0.61	2.04	1.41	1.425	1.394	11
Kansas	1.51	0.79	1.62	1.19	1.271	1.244	10
Kentucky	1.81	4.69	1.62	1.68	2.710	2.652	21
Louisiana	1.71	0.59	2.01	1.92	1.428	1.397	11
Maine	0.63	0.10	0.41	0.49	0.387	0.500	4
Maryland	0.97	4.84	1.09	1.76	2.355	2.304	18
Massachusetts	1.04	0.54	1.29	2.20	1.032	1.010	8
Michigan	3.18	2.77	2.57	4.23	2.977	2.913	23
Minnesota	2.21	1.86	2.11	1.89	2.041	1.997	16
Mississippi	1.61	1.36	1.31	1.16	1.414	1.384	11
Missouri	2.86	2.29	2.64	2.43	2.579	2.523	20
Montana	2.60	0.22	0.74	0.41	1.159	1.134	9
Nebraska	1.18	----	1.05	0.75	0.719	0.704	5
Nevada	1.19	0.56	0.52	0.44	0.748	0.732	6
New Hampshire	0.44	0.15	0.19	0.39	0.276	0.500	4
New Jersey	0.97	1.17	2.42	2.96	1.566	1.532	12
New Mexico	2.39	1.14	1.14	0.71	1.522	1.489	11
New York	2.20	2.92	2.43	5.34	2.758	2.698	21
North Carolina	1.90	2.35	2.84	2.79	2.361	2.310	18
North Dakota	1.39	----	0.60	0.31	0.640	0.626	5
Ohio	3.61	2.17	5.50	4.76	3.700	3.620	28
Oklahoma	1.62	0.96	2.23	1.61	1.554	1.520	12
Oregon	1.77	0.53	1.70	1.24	1.295	1.267	10
Pennsylvania	2.91	3.90	5.40	4.55	4.001	3.915	30
Rhode Island	0.24	0.24	0.17	0.35	0.232	0.500	4
South Carolina	1.79	1.47	1.70	1.49	1.636	1.601	12
South Dakota	1.55	0.21	0.55	0.36	0.754	0.738	6
Tennessee	2.58	3.36	2.81	2.25	2.870	2.808	22
Texas	8.04	7.65	8.76	7.70	8.062	7.888	61
Utah	1.98	0.60	0.77	0.64	1.105	1.081	8
Vermont	0.75	0.02	0.22	0.23	0.331	0.500	4
Virginia	2.51	3.22	2.36	2.47	2.705	2.647	21
Washington	1.97	4.94	1.74	1.77	2.885	2.823	22
West Virginia	0.95	0.40	0.70	0.81	0.692	0.677	5
Wisconsin	1.39	1.48	2.23	2.07	1.688	1.651	13
Wyoming	2.12	0.72	0.67	0.32	1.141	1.116	9
TOTAL	100.00%	100.00%	100.00%	100.00%	100.000%	100.000%	780[e]

a) Estimates provided by FHWA.
b) Derived from "A revised estimate of the cost of completing the National System of Interstate and Defense Highways," January, 1981.
c) Data on fuel consumption contained in "Highway Statistics 1979".
d) Primarily diesel fuel consumption.
e) Proposed FY82 authorization of $800 million less 2.5% for administration.

I-D

APPROXIMATE 4R APPORTIONMENTS BASED ON 50% LANE MILE (FREE & TOLL) AND 50% VMT (FREE & TOLL)

$ MILLION)

State	Apportionment Factor %	FY 83 (800 M)	FY 84 (1300 M)	FY 85 (2000 M)	FY 86 (2100 M)	FY 87 (2700 M)
Alabama	1.565	12.0	19.5	30.1	31.6	40.6
Arizona	2.000	15.4	25.0	38.4	40.3	51.9
Arkansas	1.123	8.6	14.0	21.6	22.7	29.1
California	9.474	72.8	118.3	182.0	191.1	245.7
Colorado	1.822	14.0	22.7	35.0	36.7	47.2
Connecticut	1.326	10.2	16.6	25.5	26.7	34.4
Delaware	2.500	3.8	6.2	9.6	10.1	13.0
Dist. of Columbia	0.500	3.8	6.2	9.6	10.1	13.2
Florida	3.250	25.0	42.6	62.4	65.6	84.3
Georgia	3.530	27.1	44.1	67.8	71.2	91.5
Hawaii	0.500	3.8	6.2	9.6	10.1	13.0
Idaho	0.912	7.0	11.4	17.5	18.4	23.6
Illinois	4.394	33.8	54.9	84.4	88.6	113.9
Indiana	2.709	20.8	33.8	52.0	54.6	70.2
Iowa	1.342	10.3	16.8	25.8	27.1	34.8
Kansas	1.380	10.6	17.2	26.5	27.8	35.8
Kentucky	1.836	14.1	22.9	35.3	37.0	57.6
Louisiana	1.514	11.7	18.9	29.1	30.5	39.3
Maine	0.550	4.2	6.9	10.6	11.1	14.2
Maryland	1.681	12.9	21.0	32.3	33.9	43.6
Massachusetts	1.710	13.2	21.4	32.8	34.5	44.3
Michigan	3.149	24.2	39.3	60.5	63.5	81.7
Minnesota	1.799	13.8	22.5	34.6	36.3	46.7
Mississippi	1.189	9.1	14.9	22.8	24.0	30.5
Missouri	2.774	21.3	34.6	53.3	56.0	71.9
Montana	1.487	11.1	18.1	27.8	29.2	37.5
Nebraska	0.152	6.6	10.6	16.4	17.2	22.1
Nevada	0.752	5.8	4.4	14.5	15.2	19.5
New Hampshire	0.500	3.8	6.2	9.6	10.1	13.0
New Jersey	1.677	12.9	20.9	32.2	33.8	43.5
New Mexico	1.556	11.8	19.2	29.5	31.0	39.8
New York	3.678	28.3	45.9	70.7	74.2	95.4
North Carolina	1.740	13.4	21.7	33.4	35.1	45.1
North Dakota	0.775	6.0	9.7	14.9	15.6	20.1
Ohio	4.531	34.8	56.6	87.0	91.4	117.5
Oklahoma	1.729	13.3	21.6	33.2	34.9	44.8
Oregon	1.465	11.3	18.3	28.1	29.5	38.0
Pennsylvania	3.365	25.9	42.0	64.6	67.9	87.3
Rhode Island	0.500	3.8	6.2	9.6	10.1	13.0
South Carolina	1.464	11.3	18.3	28.1	29.5	38.0
South Dakota	0.916	7.0	11.4	17.6	18.5	23.8

I-D Cont'd

($ MILLION)

State	Apportionment Factor %	FY 83 (800 M)	FY 84 (1300 M)	FY 85 (2000 M)	FY 86 (2100 M)	FY 87 (2700 M)
Tennesse	2.680	20.6	33.5	51.5	54.0	69.5
Texas	7.705	59.2	96.2	148.0	155.4	199.5
Utah	1.425	10.9	17.8	27.4	28.7	37.0
Vermont	0.500	3.8	6.2	9.6	10.1	13.0
Virginia	2.657	20.4	33.2	51.0	53.6	68.3
Washington	2.079	16.0	26.0	39.9	41.9	53.9
West Virginia	0.801	6.2	10.0	15.4	16.2	20.1
Wisconsin	1.475	11.3	18.4	28.3	29.8	38.2
Wyoming	1.222	9.4	15.3	23.5	24.6	31.7
TOTAL	100.000	768.4	1248.6	1420.9	2017.0	2593.3

ootnotes:

1) 2% Administration, 1/2% Metro Planning, 1 1/2% HPR
2) Apportionment Factor Based On: 1979 VMT (Free & Toll), 1980 Lane Miles (Free & Toll)
3) Includes 1/2% Minimum

NOTE: Data Provided By Federal Highway Administration

II-A

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

HWG13 7-19-81

Approximate Interstate Apportionment Factors

Ⓐ

STATE	1981 ICE 53.2	Admin 31.2	House 37.1	Senate 25.7 ~	FHWA V 35.1
ALABAMA	2.442	3.013	2.649	2.462	2.674
ARIZONA	1.578	1.398	1.458	1.522	1.607
ARKANSAS	0.505	0.274	0.230	.5	0.243
CALIFORNIA	10.664	7.585	11.289	5.845	10.658
COLORADO	2.138	2.045	1.713	2.178	1.815
CONNECTICUT	3.260	2.386	2.985	2.215	2.625
DELAWARE	— (.5)	—	—	.5	—
DIST. OF COLUMBIA	0.879	1.016	1.039	1.109	1.099
FLORIDA	4.459	5.794	5.458	6.138	5.335
GEORGIA	4.211	3.343	4.754	1.177	4.278
HAWAII	1.594	2.470	2.087	2.828	2.199
IDAHO	0.390 (.5)	0.490	0.438	0.539	0.444
ILLINOIS	1.951	1.563	1.309	1.588	1.317
INDIANA	1.259	0.685	0.573	0.705	0.607
IOWA	0.906	1.201	1.006	1.388	1.066
KANSAS	0.818	0.832	0.764	0.879	0.810
KENTUCKY	2.435	1.655	2.757	.5	2.714
LOUISIANA	3.660	5.846	4.895	6.735	5.188
MAINE	0.134 (.5)	0.155	0.147	.5	0.156
MARYLAND	6.200	7.118	7.525	7.215	7.404
MASSACHUSETTS	2.163	3.313	2.889	1.687	3.062
MICHIGAN	2.231	1.795	1.618	2.047	1.715
MINNESOTA	2.054	2.186	1.830	2.526	1.940
MISSISSIPPI	0.729	0.246	0.206	0.5	0.218
MISSOURI	1.622	1.081	0.948	1.169	0.959
MONTANA	0.406 (.5)	0.643	0.539	0.675	0.571
NEBRASKA	— (.5)	—	—	0.5	—
NEVADA	0.591	0.607	0.534	0.664	0.546
NEW HAMPSHIRE	0.258 (.5)	0.335	0.281	0.5	0.298
NEW JERSEY	2.399	3.384	2.911	3.874	3.233
NEW MEXICO	0.695	0.368	0.308	0.5	0.326
NEW YORK	4.517	5.627	5.094	5.547	5.577
NORTH CAROLINA	1.515	0.892	0.747	1.031	0.792
NORTH DAKOTA	— (.5)	—	—	0.5	—
OHIO	1.957	1.784	1.681	1.722	1.716
OKLAHOMA	0.861	0.764	0.808	0.572	0.956
OREGON	0.907	1.170	1.088	0.743	1.113
PENNSYLVANIA	4.776	5.357	4.927	4.551	5.218
RHODE ISLAND	1.402	2.231	1.568	2.342	1.979
SOUTH CAROLINA	1.448	1.413	1.183	1.438	1.254
SOUTH DAKOTA	0.122 (.5)	0.056	0.047	0.5	0.049
TENNESSEE	1.753	0.673	0.662	0.558	0.635
TEXAS	5.903	4.580	4.691	2.866	4.714
UTAH	1.259	1.725	1.444	1.914	1.531
VERMONT	0.032 (.5)	0.039	0.033	0.5	0.035
VIRGINIA	3.566	3.777	3.337	4.298	3.477
WASHINGTON	4.197	3.609	4.083	3.977	3.788
WEST VIRGINIA	1.530	2.845	2.382	3.277	2.524
WISCONSIN	0.350	0.396	0.580	0.5	0.342
WYOMING	0.446 (.5)	0.245	0.205	0.5	0.217
ALASKA TOTAL	— (.5)		—	0.5	—

FOOTNOTES

DATE

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TABULATION BY STATES

II-B

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

HHG13 7-18-81

Approximate Interstate Apportionment Ⓑ
Total ($ Millions) for FY 1983 - FY 19[illegible]

STATE	Current Law $57.2 B	Admin. Bill $31.2 B	Senate Bill $25.7 B	House Bill * $37.1 B	FHWA Opt. V $35.1 B
ALABAMA	159.9	193.1	230.2	78.9	175.[illegible]
ARIZONA	103.5	[illegible]	101.2	42.4	38.8
ARKANSAS	33.1	17.6	33.3	6.8	16.6
CALIFORNIA	699.1	486.1	388.7	336.1	650.1
COLORADO	140.1	131.1	144.8	51.0	119.0
CONNECTICUT	213.7	153.0	147.3	88.9	176.2
DELAWARE	15.4	—	33.3	—	—
DIST. OF COLUMBIA	57.6	65.2	73.7	36.9	72.1
FLORIDA	291.9	371.5	405.3	162.5	349.9
GEORGIA	276.0	214.3	78.3	141.6	270.4
HAWAII	104.5	158.3	188.1	62.1	144.2
IDAHO	29.0	31.4	35.9	13.0	36.5
ILLINOIS	127.9	100.2	165.6	39.0	90.1
INDIANA	82.5	43.9	46.9	17.1	39.8
IOWA	62.9	77.0	92.3	36.0	64.4
KANSAS	53.6	53.4	58.4	22.7	53.1
KENTUCKY	159.6	166.1	33.3	82.1	177.9
LOUISIANA	239.9	374.8	447.9	145.7	346.6
MAINE	20.1	9.9	33.3	4.4	10.2
MARYLAND	406.5	456.3	479.8	224.1	495.3
MASSACHUSETTS	141.8	212.4	112.2	86.0	200.7
MICHIGAN	145.6	115.0	136.2	45.2	112.4
MINNESOTA	134.6	140.2	168.0	54.5	127.1
MISSISSIPPI	47.8	15.8	33.3	7.1	14.9
MISSOURI	106.3	69.7	77.8	28.2	62.9
MONTANA	29.6	41.2	44.0	16.0	37.4
NEBRASKA	15.4	—	33.3	—	—
NEVADA	32.7	35.9	44.1	15.4	37.1
NEW HAMPSHIRE	24.4	21.5	33.3	7.1	19.6
NEW JERSEY	157.2	217.0	257.7	56.7	199.9
NEW MEXICO	45.6	23.6	33.3	3.1	21.4
NEW YORK	296.1	366.8	363.4	151.7	352.5
NORTH CAROLINA	92.4	57.2	68.6	22.2	51.9
NORTH DAKOTA	15.4	—	33.3	—	—
OHIO	128.2	114.4	114.5	50.1	112.4
OKLAHOMA	55.8	49.0	38.0	24.1	56.1
OREGON	59.5	75.0	49.5	32.4	73.0
PENNSYLVANIA	313.1	342.5	362.7	166.7	342.1
RHODE ISLAND	91.9	143.0	155.7	55.6	129.7
SOUTH CAROLINA	94.9	90.6	95.7	35.2	52.2
SOUTH DAKOTA	19.7	3.6	33.3	1.4	3.2
TENNESSEE	114.9	42.1	37.1	12.7	41.6
TEXAS	382.9	293.7	190.6	137.7	329.0
UTAH	82.5	116.6	127.3	43.0	102.4
VERMONT	16.5	2.5	33.3	1.0	2.3
VIRGINIA	233.2	242.2	285.8	99.4	[illegible]
WASHINGTON	275.1	231.4	264.5	121.6	244.3
WEST VIRGINIA	119.8	182.4	217.9	70.9	165.5
WISCONSIN	55.7	24.8	33.3	17.3	22.4
WYOMING	30.9	15.7	33.3	6.1	14.3
ALASKA	15.4	—	33.3	—	—
TOTAL	6669.3	6411.2	6651.3	2977.5	6555.[illegible]

FOOTNOTES

* One year only

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TABULATION BY STATES

II-C

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

HNG13 7-14-81

Approximate 4R Apportionment Factors ©

STATE	Current Formula 75/25	Admin/ House 50/50	Senate 60/40	AASHTO 10-70/20/10	AASHTO 10-65/25/10	
ALABAMA	1.860	1.767	1.804	1.847	1.822	
ARIZONA	2.383	2.097	2.211	2.448	2.394	
ARKANSAS	1.251	1.216	1.230	1.327	1.320	
CALIFORNIA	8.548	9.725	9.256	7.803	8.041	
COLORADO	2.064	1.937	1.988	2.102	2.078	
CONNECTICUT	1.127	1.336	1.252	1.184	1.223	
DELAWARE	0.5	0.5	0.5	0.5	0.5	
DIST. OF COLUMBIA	0.5	0.5	0.5	0.5	0.5	
FLORIDA	2.957	3.119	3.055	2.945	2.988	
GEORGIA	3.298	3.600	3.479	3.155	3.228	
HAWAII	0.5	0.5	0.5	0.5	0.5	
IDAHO	1.199	0.975	1.064	1.320	1.279	
ILLINOIS	3.934	4.016	3.984	3.722	3.721	
INDIANA	2.567	2.667	2.626	2.512	2.537	
IOWA	1.603	1.498	1.510	1.666	1.637	
KANSAS	1.320	1.154	1.221	1.428	1.400	
KENTUCKY	1.827	1.874	1.855	1.961	1.911	
LOUISIANA	1.635	1.590	1.608	1.674	1.669	
MAINE	0.536	0.5	0.5	0.683	0.668	
MARYLAND	1.218	1.479	1.375	1.324	1.369	
MASSACHUSETTS	1.278	1.533	1.431	1.273	1.306	
MICHIGAN	3.305	3.476	3.408	3.092	3.116	
MINNESOTA	2.056	1.900	1.996	2.045	2.025	
MISSISSIPPI	1.414	1.241	1.311	1.523	1.494	
MISSOURI	2.887	2.955	2.928	2.791	2.807	
MONTANA	2.039	1.521	1.729	2.163	2.065	
NEBRASKA	1.050	0.906	0.983	1.159	[illegible]	
NEVADA	0.991	0.512	0.883	1.117	[illegible]	
NEW HAMPSHIRE	0.5	0.5	0.5	0.565	0.559	
NEW JERSEY	1.102	1.244	1.188	1.235	1.267	
NEW MEXICO	2.019	1.696	1.819	2.035	1.977	
NEW YORK	2.307	2.447	2.391	2.362	2.395	
NORTH CAROLINA	1.937	2.000	1.975	1.884	[illegible]	
NORTH DAKOTA	1.097	0.832	0.939	1.238	1.193	
OHIO	3.915	4.276	4.132	3.672	[illegible]	
OKLAHOMA	1.535	1.474	1.499	1.615	1.616	
OREGON	1.656	1.563	1.601	1.709	[illegible]	
PENNSYLVANIA	2.917	2.971	2.950	2.758	[illegible]	
RHODE ISLAND	0.5	0.5	0.5	0.5	0.5	
SOUTH CAROLINA	1.672	1.579	1.617	1.712	[illegible]	
SOUTH DAKOTA	1.261	0.971	1.049	1.377	1.328	
TENNESSEE	2.665	2.787	2.739	2.621	2.649	
TEXAS	8.082	8.251	8.186	7.474	7.561	
UTAH	1.721	1.495	1.585	1.839	1.791	
VERMONT	0.620	0.5	0.548	0.776	0.754	
VIRGINIA	2.571	2.677	2.635	2.546	2.561	
WASHINGTON	2.093	2.262	2.183	2.058	2.093	
WEST VIRGINIA	0.852	0.725	0.800	0.979	[illegible]	
WISCONSIN	1.400	1.508	1.481	1.534	1.567	
WYOMING	1.691	1.299	1.455	1.808	1.727	
TOTAL						

FOOTNOTES

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TABULATION BY STATES

II-D

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

HNG13 7-19-8

Approximate 4R Apportionments 1983-1987 Ⓓ
($ millions)

STATE	Admin Level 50/150	Senate Level 60/40	AASHTO 10-70/20/10 Admin L.	AASHTO 10-70/20/10 Senate L.	AASHTO 10-65/25/10 Adm. L.	AASHTO 10-65/25/10 Sen. L.
ALABAMA	151	133	158	137	156	135
ARIZONA	179	164	209	181	205	177
ARKANSAS	104	91	114	98	113	98
CALIFORNIA	831	685	667	577	687	595
COLORADO	166	147	180	156	178	154
CONNECTICUT	114	92	101	88	105	91
DELAWARE	43	37	43	37	43	37
DIST. OF COLUMBIA	43	37	43	37	43	37
FLORIDA	267	226	252	218	256	221
GEORGIA	308	257	270	233	276	239
HAWAII	43	37	43	37	30	37
IDAHO	83	79	113	98	109	95
ILLINOIS	343	295	318	275	319	276
INDIANA	228	194	215	186	217	188
IOWA	124	112	142	123	140	121
KANSAS	99	90	122	106	83	104
KENTUCKY	160	137	162	141	163	141
LOUISIANA	136	119	143	124	142	124
MAINE	43	37	58	50	57	49
MARYLAND	127	102	113	98	117	101
MASSACHUSETTS	131	106	109	94	112	97
MICHIGAN	297	252	264	229	266	231
MINNESOTA	166	147	175	151	173	150
MISSISSIPPI	106	97	130	113	128	111
MISSOURI	253	217	239	207	240	208
MONTANA	130	128	185	160	177	153
NEBRASKA	80	73	99	86	97	84
NEVADA	69	65	96	83	65	80
NEW HAMPSHIRE	43	37	48	42	48	41
NEW JERSEY	106	88	106	91	108	94
NEW MEXICO	144	135	174	150	169	146
NEW YORK	209	177	202	175	204	176
NORTH CAROLINA	171	146	161	139	161	139
NORTH DAKOTA	71	69	106	92	102	88
OHIO	366	306	314	272	320	277
OKLAHOMA	126	111	138	120	96	119
OREGON	134	118	146	126	145	125
PENNSYLVANIA	254	218	236	204	236	204
RHODE ISLAND	43	37	43	37	43	37
SOUTH CAROLINA	135	120	146	127	145	125
SOUTH DAKOTA	85	81	119	102	114	99
TENNESSEE	238	203	224	194	226	196
TEXAS	705	606	639	553	641	555
UTAH	128	117	157	136	153	132
VERMONT	43	40	66	58	65	56
VIRGINIA	225	195	218	188	219	189
WASHINGTON	192	161	176	152	178	154
WEST VIRGINIA	65	59	84	72	82	71
WISCONSIN	129	110	131	113	132	115
WYOMING	111	108	155	134	148	129
TOTAL						

FOOTNOTES

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TABULATION BY STATES

4/20/82

TESTIMONY BY LOWELL K. BRIDWELL, SECRETARY
MARYLAND DEPARTMENT OF TRANSPORTATION

BEFORE THE

TRANSPORTATION SUBCOMMITTEE OF THE SENATE ENVIRONMENT AND PUBLIC WORKS COMMITTEE

APRIL 21, 1982

I am here to present the Maryland Department of Transportation positions on the major highway transportation issues, and how these issues affect State efforts to maintain and improve our highway systems.

Sorting Out Federal and State Responsibilities

The first priority in the development of new highway legislation is a resolution of the appropriate roles for the federal, state and local governments. Only when these roles have been established can the details of specific programs and funding be worked out.

We support the general principles on program and funding turnbacks outlined by the National Governor's Association Committee on Transportation, Commerce and Technology, chaired by Maryland's Governor Hughes. This Committee recommends turning back certain programs such as the Urban and Secondary programs and those portions of the Bridge program to the states, as belonging at the state and local level.

Other programs, such as Interstate, Interstate 4R and Interstate Transfer, are clearly federal responsibilities and require support and funding at the federal level.

We agree with S.2315 as drafted that the equitable distribution of highway user fees is an important issue which should be addressed as soon as the results of the Highway Cost Allocation Study are made available. Any increase in the amount of fees retained at the federal level, however, should include only funds needed to meet requirements for the identified federal responsibilities.

We in Maryland have just concluded a successful effort to increase our gasoline tax to meet longstanding system preservation needs and address future demands upon the State's transportation facilities.

The new law will add two cents in June, 1982 to the current nine-cent tax, and an additional two-and-one-half cents in June, 1983. As of July 1, 1984, taxes will be set at ten percent (10%) of the average wholesale gasoline price, but cannot fall below thirteen-and-one-half (13½) cents per gallon, nor increase more than one cent annually.

Because of this recent experience, we recognize how hard it is to raise the local taxing level. Yet local funds are needed if we are to remain consistent with the objective of returning responsibilities to the states. We must be prepared to accept the dual role of managing our local systems and funding them from our own tax dollars.

With respect to specific provisions of S.2315, we have the following comments:

Funding for the Interstate Program

Even though substantial funds are provided for Interstate completion and 4R, it is our conviction that the needs in these two categories are even greater. Funding levels for Interstate completion should be set at $4 billion annually to permit completion of the system by 1990. For fiscal year 1972 the funding level for interstate completion was 3.96 billion. Given the inflation which has taken place since that time, the $4 billion level which is proposed is only the equivalent of $1.6 billion. It is extremely important that funding be provided to complete the system by 1990. In addition, for the 4R program, an annual level of $2 billion is needed to repair or reconstruct major segments of the system which are approaching, or which have already reached obsolescence.

Interstate Transfer Program

The Interstate Transfer program needs substantial increases in funding to meet commitments which have already been made for the use of these funds, as well as providing a reasonable incentive on the part of states and local governments to withdraw unnecessary segments from the Interstate system. With the outstanding commitments on the books, the funding levels proposed in S. 2315 of $150 million to $300 million for highway substitutions are plainly inadequate by orders of magnitude. If the transfer program is to have any credibility, both the highway and the transit funding levels will have to be very substantially increased. We, in Maryland, have another potential substitute project which, frankly, we have considerable questions on the advisability of entering into if the funding remains at current inadequate levels.

Interstate Transfer Escalation After FY 1983

In light of these commitments, it is extremely important that the funds associated with the transfer program be allowed to escalate with inflation so that at the time of implementation, there will be sufficient funds to proceed with the projects.

4R Formula: Traffic Versus Lane Miles

It is our belief that traffic remains the best indicator of wear on interstate facilities, and, therefore, that vehicle miles travelled are at least as appropriate a measure for determining formula allocation of 4R funds as are lane miles. The 55 percent la[illegible]/45 percent vehicle mile formula, which is in the Federal-Aid Highway Act of 1981, is, therefore, preferable to the 60/40 split in S.2315, which is before us today. A 50/50 split would be even more suitable for this program.

Certification Acceptance

We support the provision of S.2315 which allows expanded use of the Certification Acceptance process. We would encourage even greater flexibility in this area, so that the Certification Acceptance process could be applicable also to the planning and environmental requirements. Recent analyses conducted in Maryland have demonstrated that as many as two years can be shaved from the

STATEMENT OF THOMAS D. MORELAND, COMMISSIONER, DEPARTMENT OF TRANSPORTATION, STATE OF GEORGIA, BEFORE THE SUBCOMMITTEE ON TRANSPORTATION OF THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS, UNITED STATES SENATE, REGARDING PROPOSED HIGHWAY LEGISLATION S-2315 FOR THE RECORD APRIL 30, 1982.

Mr. Chairman, you and the members of your subcommittee are to be congratulated for your efforts in getting such a comprehensive piece of highway legislation through your subcommittee in such short order. That action was quite timely since existing authorizing legislation expires at the end of September of this year. We, in Georgia, feel that it is generally a good piece of legislation.

In my statement for the record I would like to point out some of the best features of S.2315 that we feel should remain in the bill and not be compromised. Then next I would like to call to your attention some things for you to consider which we feel will strengthen the bill. Last, I would like to point out some features of the bill which we don't like and which hopefully you will see fit to change or delete. All of this is being offered in the spirit of trying to help this great Nation achieve a better highway transportation system.

The apportionment formula for the Bridge Replacement and Rehabilitation Program, Section 114, appears to be a good one. We especially like the use of the average national unit cost. We feel that this is more equitable than allowing each State to use its own separate unit cost. This feature should be retained in the bill.

The provision of Section 112 which permits States to transfer up to 100 per cent of apportionments between primary and rural and urban programs is a good one. This will allow the States to have much more flexibility in implementing their projects. Hopefully, this feature will stay in the bill.

Section 118 substitutes "high occupancy vehicle" for the word "bus". This is a good move since carpools and vanpools are becoming more popular throughout our nation. Hopefully, this feature will remain in the final version of the bill.

Section 126(c) requires the Secretary to withhold approval of projects on one or more of the Federal-aid systems or programs in a portion of the State because of improper maintenance condition rather than withhold project approvals statewide. This change will make it easier for the Secretary to apply sanctions when and where needed. Also, it will be more equitable for the State involved. We urge you to retain this feature of the bill.

The Federal share is changed from 75 per cent to 50 per cent for projects in the rural and urban programs in Section 131. This is a good move because it will allow Federal-aid apportionments for those programs to go further. We like this provision and encourage you to retain it in the final version of S.2315.

Section 134 sets up a demonstration project to demonstrate the feasibility of reducing the needed time to complete highway project. This is an excellent idea. In recent years the time required to complete highway projects in those areas of concern has grown tremendously. Also, the provisions of Section 132 which exempts the authorized funds for this demonstration project from obligation limitations should encourage the States to submit some worthwhile projects as candidates for this program. You are urged to retain these features of the bill also.

Title II, Section 202 and 203 extend the collection of user fees which go into the Trust Fund and extend the Trust Fund for an additional five years. This, of course, is essential if we are to have any kind of a continuing Federal-aid highway program. We would like to urge you to increase the amount of money going into the Trust Fund so that the size of the Federal-aid highway program can be increased to a level that more reasonably approaches the levels needed to sustain the program. As you know, our highway systems are deteriorating and becoming functionally obsolete faster than the funds available allow them to be replaced. We, in Georgia, support additional four cents per gallon motor fuel tax to go into the Highway Trust Fund.

Next, some states have elected to use the allowable advance construction provisions of Title 23 (Section 115) to complete several sections of the Interstate system much earlier than would otherwise have been possible through the normal annual apportionment process. That has been accomplished in some cases by the sale of bonds which, of course, means that there is interest to be paid by the states. Interest costs for such projects started within the last four years are not eligible for federal reimbursement. The added cost of interest is far more than offset by the avoidance of inflation cost which would have accrued had the project been delayed and the early completion of those projects which saves lives and user cost.

It is therefore, suggested that Section 115(b)(2) of Title 23 of the U. S. Code be amended by striking out "1978" in each of the two places it appears and substituting "1983". Such a change will allow those states to be repaid for the interest cost of prefinancing the Federal share of completing the Interstate system when the mechanism described above has been used within the past four years. Such a change, would not increase the total cost of the Interstate program since the interest costs would come from the state's normal apportionments and will have been more than offset by the cost of inflation on project costs had those projects been delayed.

The Interstate Resurfacing, Restoring, Rehabilitating and Reconstructing Program (4R) is an excellent example of how programs must change to fit changing needs. It is imperative that it be continued on beyond the 1981 Act. The distribution of funds for that program is based upon the size of the system in lane miles, 55 percent, and traffic load in vehicle miles of travel, 45 percent, in the 1981 Act. It is not the size of the system which causes it to wear out but it is the amount of heavy traffic on the system. Therefore, the vehicle miles of travel factor should be given as much weight as possible by making it greater than the 45 percent provided in the 1981 Act. An argument can be made that heavily weighting the system size would be more equitable for that portion of the system subjected to more intense frost action. However, most of the severe so called frost damage results from many heavy loads riding over those roads under frost or frozen base conditions. Therefore, serious consideration should be given to providing for a greater weighting of vehicle miles of travel in the 4R distribution formula. A 50-50 ratio of the two factors would be more equitable from a national point of view.

A number of states have prefinanced portions of the Appalachian Developmental Highway System in advance of Federal Funds being available. This was done with the understanding and expectation that the States will be reimbursed for their advance financing of the Federal share. For example, Georgia has invested approximately 28-million dollars in advance financing of the Federal share for this system. If the Appalachian Developmental Highway program is to be discontinued, those States which have, in good faith, advance financed the Federal share should, by all reason, be reimbursed for that expenditure. It is requested that the proposed legislation include a provision to repay those States for this advance financing.

On November 26, 1980, the Secretary of Transportation sent to Congress the report on "Demonstration of Vending Machines at Safety Rest Areas on the Interstate System" as directed by Section 153 of the Federal-Aid Highway Act of 1978. That report was favorable toward the use of vending machines within Interstate Rest Areas based upon very favorable motorist response as to the desirability of having such ammenities provided for their use in Rest Areas.

Georgia is one of the demonstration States and we favor the continuation of the vending machine program. Since the demonstration project is to end in October, 1982, it is suggested that provisions be included in the next Highway Bill which authorizes States which wish to install vending machines within Interstate Rest Areas to do so. Without such authority, this will not be permitted.

The obligation limitation for 1983 is set at the level of $8.2 billion in Section 132. We will never get our highways that are of national concern brought up to an acceptable standard without an increase in the Federal-aid funds available.

The Federal-aid for highways should not be less than $12.5 billion per year beginning in 1983. This could be achieved by increasing the motor fuel tax (or user fee) by four cents per gallon to go into the Trust Fund. Most of the States have just gone thru an increase in their motor fuel tax structure and thus will not be able to have another increase at the State level for some time yet. Such is not the case at the Federal level. I believe such an increase at the Federal level will be acceptable and should be done.

The appropriation for Interstate construction is set at $3.3 billion for next year and increases to $3.625 billion in 1990 in Section 102. The Interstate system will never be completed with those levels of funding each year. The appropriations for Interstate construction should be at least $5.5 billion per year beginning next year. This amount is necessary if the projects included in the newly defined system are to be completed by year 1990.

Section 138 contains something that really bothers me. It is perhaps an oversight. I hope it is not intended. That Section amends Section 115(a) of Title 23 by providing new language that deletes the phrase "other than the Interstate System" in the first sentence. Section 115(a) of Title 23 as now written allows for construction in advance of apportionment under certain conditions. Those conditions permit Interstate construction projects to be constructed in advance of construction even though the State has not expended all of it's Interstate funds. Oftentimes, the next Interstate projects which a State needs to construct, as determined by a logical and systematic planning and programming process, may each cost more than the few thousands of dollars remaining in that state's apportionment. It is important that this feature of existing Section 115(a), of Title 23, remain intact particularly in an era of obligation authority which limits expenditures to a level considerably lower than the total of State's apportionments.

We strongly believe that the Priority Primary Program should be allowed to continue and be funded at a level comparable to this year's apportionments of $125-million. It is suggested that the program could or should be limited to its present size by allowing no new projects to be started up. Those existing routes which have had some Federal funding were started in good faith by the States and the Federal participation needs to be continued to complete those routes. The program should be ended only after completion of those routes where work has been started under the Priority Program.

Section 119 proposes an addition to the fringe parking provision of Title 23. That addition sets up two requirements for carpool projects. The first requires that the facilities be located outside of central business districts and that they be within an Interstate highway corridor. We suggest that those requirements are too vague and are subject to different interpretations from State to State within the Federal Highway Administration. In some States a carpool facility must be adjacent to the Interstate highway. Our feeling is that the second requirement of having as their primary purpose the reduction of vehicular traffic on the Interstate system can be achieved without the carpool facility being adjacent to the highway. It is suggested that the first requirement is not needed and should be deleted.

This concludes my statement. I appreciate being given the opportunity to make these suggestions and comments on this piece of legislation which will affect all of our citizens and such a great portion of our national economy.

NEW YORK STATE
DEPARTMENT OF TRANSPORTATION
William C. Hennessy, Commissioner

1220 Washington Avenue, State Campus, Albany, New York 12232

The Honorable Steven D. Symms
Chairman
Transportation Subcommittee
Senate Committee on Environment and
Public Works
452 Russell Building
First & C Streets, N.E.
Washington, D.C. 20510

Dear Senator Symms:

We regret that we were unable to appear at the hearings conducted by the Transportation Subcommittee on April 21, 1982 and present our testimony regarding the proposed Federal-aid Highway Act of 1982 (S. 2315).

In introducing the legislation the sponsors have acknowledged that the funding levels proposed will not meet the minimum needs and have expressed their hope that Trust Fund revenues might be increased to support a more responsible level of funding. We agree with this assessment and also hope that Congress and the Administration will quickly agree on an increase in Trust Fund revenues sufficient to support a serviceable national highway network.

We are particularly concerned that in drafting this legislation the eight percent maximum cap on the percentage of Bridge Replacement and Rehabilitation funds which can be apportioned to any state is retained. Based upon FHWA data, New York's relative bridge needs outstrip any other state's and account for over 18 percent of the national needs. The arbitrary limit reduces New York's apportionment to less than half the amount to which we are entitled. This is the only highway program, and we are the only state which is affected by such a cap. We urge the Subcommittee to reconsider and remove this inequitable provision of the proposed legislation.

We have carefully reviewed this proposed legislation. Attached for the record are our comments on this and other specific issues which have been addressed. We hope that these comments will be considered in the development of final legislation.

We appreciate this opportunity to submit our testimony.

Sincerely,

W. C. HENNESSY
Commissioner

We would like to take this opportunity to comment on the proposed Federal-aid Highway Act of 1982 (S.2315), and suggest some changes which might make the legislation more efficient and equitable.

We are certain that other witnesses will thoroughly advise the Subcommittee concerning the deterioration of our nation's highways and bridges and the social, economic and environmental costs of inadequate Federal support for these facilities. We will therefore not dwell upon the details of the $2.7 billion needed to take care of the 7,500 structurally deficient bridges in New York; the $2.0 billion needed by 1990 to complete our portion of the Interstate System; or the $2.2 billion needed for reconstruction, resurfacing, restoring and rehabilitating (4R) the toll-free portion of the Interstate System in New York.

In introducing this legislation, the sponsors have indicated that they recognize that the funding levels proposed will not meet the minimum national needs and have expressed their hope that Trust Fund revenues might be increased to support a more realistic level of funding. We concur in this analysis, and also hope that the Congress and the Administration will quickly agree on an increase in Trust Fund revenues sufficient to provide a serviceable national highway network. We assume that if it is the decision of Congress and the Administration to increase user fees, the funding levels of S.2315 bill will be appropriately adjusted to reflect any increase.

Recognizing the constraints under which this legislation was drafted, we will not comment on the overall funding levels authorized by the legislation, but try to restrict our remarks to suggest changes within the present funding ability of the Highway Trust Fund. However, serious consideration should be given to using a portion of the $9 billion cash balance in the Trust Fund to supplement present revenues as a means of increasing the program pending resolution of a tax increase. Following is a summary of our views on specific issues addressed by S.2315 for consideration during the mark up of the legislation. Each of these issues is discussed in more detail in the text which follows the summary.

- We are concerned that the national commitment to completion of the Interstate System by 1990 is being compromised by a proposed reduction of $900 million in Interstate authorizations. We would urge that at a minimum, present authorization levels be restored.

- The incentive to expedite completion of the Interstate System by allowing Federal participation in the interest costs of bonds sold by States to finance Interstate construction in advance of apportionments is needed to supplement inadequate Interstate authorizations and complete the system on schedule. Major amendments to Section 122, Title 23, V.S.C. are needed to make this provision workable.

- Unless special funding is provided for apportionment of a minimum of one-half percent of Interstate Completion funds to each State, an additional $2 to $3 billion will be diverted from Interstate Completion--further eroding the national commitment.

- We agree with Senator Symms that, "because the total dollars available for our nation's highways and roads are limited, it is imperative that (Interstate 4R) funds are allocated based on the best available needs data". Needs data compiled by FHWA is available now and should be used as the basis of a new 4R apportionment formula.

- Funding responsibility for Interstate Transfer Highway Substitute Projects should not be imposed on a Highway Trust Fund which is inadequate to finance its existing commitments. At least 75 percent of the available funds should be routinely apportioned to the States by formula. Delays on implementation of Substitute Highways Projects are directly attributable to inadequate Federal funding. To further penalize the States for these delays by eliminating the escalation of project costs after 1983 is totally unfair.

- We support the proposed change in the formula used to apportion Bridge Replacement and Rehabilitation Funds. However, we question the logic in the development of a needs estimate which ignores the substantial differences in the unit cost of bridge work in various parts of the country.

- On the basis of relative needs as measured by FHWA, New York is entitled to be apportioned more than 18 percent of Bridge Replacement and Rehabilitation Funds. Even ignoring the relatively high unit cost of bridge rehabilitation and replacement in the State and using national average unit costs we would be entitled to receive about 11 percent of the national authorization based on the formula proposed in this legislation. However, S.2315 contains a provision to limit the maximum apportionment to any one state to 8 percent. This is the only program under Title 23 which has any maximum limit on the share a state can be apportioned. Other states receive more than 8 percent of other programs, where needs or other formulas indicate such apportionments are appropriate. In the spirit of equity, we urge elimination of this arbitrary limit on our capacity to repair our aging and deficient bridges.

- We support the effort to develop a formula for selection of bridges to be funded with Discretionary Bridge Replacement and Rehabilitation funds. However, Congressional intent to continue such assistance to bridges already selected for the program should be made clear.

- The 271,000 mile Primary System carries 29 percent of all travel as compared to 19 percent carried on the 42,500 mile Interstate. Yet S. 2315 would authorize only $6.3 billion for the construction, reconstruction and rehabilitation of the Primary System over the life of the bill as compared to $20.0 billion for the Interstate Program. We do not believe the priorities represented by these figures are in balance. The funding for the Primary Program should be restored to at least the FFY 1981 level of $1.8 billion.

- We question the advisability of discontinuing the Discretionary Priority Primary Program and suggest that consideration be given to retention of the program with future projects selected in accordance with a formula to be developed complimentary to and in conjunction with the Discretionary Bridge Formula.
- While it is proposed to eliminate a number of miscellaneous narrow categorical programs of limited value, at the same time it is proposed to create a new $50 million categorical program. We would suggest that the desired demonstration could be carried out as a Discretionary Priority Primary project and the funds could be better used to continue the funding for that program.
- Over 70 percent of our population resides in urban areas. Urban streets and highways included in the newly defined Federal-aid Urban Program must provide service for almost twice the volume of traffic as provided by the rural roads included under the new Federal-aid Rural Program. We suggest that the ratio of funding between the urban and rural programs be maintained at 2 to 1 to reflect these statistics. We oppose the increase in Rural Program Funding at the expense of the Urban Program.
- Finally, New York has the highest accident rate in the country. Investments in highway safety improvements in New York are a needed and cost-effective measure. We oppose the proposed change in the safety formula which would reduce needed funding to New York.

1. Completion of the Interstate System

In testimony taken by both the House and Senate Committees last year on amendments to the Federal Highway law, literally dozens of witnesses testified that first priority should be given to completion of the Interstate System. Most recently, in testimony before the House Appropriations Committee on March 17, 1982, the Federal Highway Administrator said:

"The principal Federal interest in highways is to support and provide for national defense and the free flow of Interstate commerce. Our proposal (under review by OMB) accordingly, emphasizes the expeditious completion and preservation of the Interstate System."

State governments throughout the country are also firmly committed to the early completion of the Interstate System. This commitment is evidenced by the policy statement of the American Association of State Highway and Transportation Officials which establishes completion of the Interstate System as a first priority.

The Senate Committee on Environment and Public Works in the past has also accorded completion of the Interstate System first priority. In the Committee Report to accompany last year's highway legislation the Committee states:

"The Committee believes the Federal interest lies first in completing the Interstate System as quickly as possible..."

Last year Interstate completion was redefined to make completion an attainable goal. By restricting eligibility to only the most needed projects the cost was reduced from $53 billion to about $39 billion. Considering the backlog of unobligated Interstate apportionments about $26.7 billion in Federal funds are required. Under present law only $25.4 billion in Federal funds are authorized to complete the program. Even neglecting the effects of inflation, it is obvious that either: (1) annual authorizations must be increased; or (2) the deadline for completion must be extended beyond 1990. We would advocate that the schedule be maintained and that adequate funding be made available to complete the system as planned.

In view of the apparent national consensus concerning the priority of completing the system as quickly as possible -- and the obvious need to increase funding to achieve this goal, we cannot understand the Committee's proposal to reduce the authorizations for Interstate completion by $900 million. We believe that this action is contrary to the national purpose, and brings into question the strength of the national commitment to Interstate completion. We strongly urge that, at a minimum, authorizations for Interstate construction be restored to already legislated levels. Substantial increases will be needed if the national commitment is to be discharged in accordance with the present schedule.

2. Bonding of Interstate Construction

Recognizing the potential savings which might be realized by advancing the completion of the Interstate System, in 1978 Congress amended the law to encourage the States to prefinance construction of the system. This encouragement was in the form of an amendment to Section 122, Title 23, U.S.C. which would allow Federal participation in the interest costs of bonds sold by the States to finance the completion of Interstate segments in advance of Federal apportionments.

A number of States have indicated an interest in utilizing this provision of the law to enable them to complete their Interstate responsibilities as quickly as possible, thereby avoiding increased costs due to inflation and providing service over a needed facility at an early date. However, the conditions attached to the Federal participation in interest costs combined with the low obligational limits almost mandate that in order for any State to utilize this provision of the law they must virtually suspend obligation for all other Federal-aid programs exclusive of Interstate. In addition other provisions of the law limit the Federal participation to only a portion of the total interest costs which would be incurred by States which would bond the program.

Recognizing these problems, AASHTO has created a special Task Force study interstate bonding as a means of accelerating completion of system. We urge that consideration be given to the recommendations of this group for changes in the law which are required to make this provision a workable incentive for speedy completion of the Interstate program.

3. Minimum Interstate Apportionment

In addition to reducing authorizations for Interstate completion, the proposed legislation neglects to provide the additional funding which has traditionally been provided to finance the minimum one-half percent Interstate apportionment guaranteed each State. Last year over $140 million was required to meet this commitment to the 17 States which are nearing the completion of their systems. As more States approach completion, $2 to $3 billion will be needed over the life of the program to satisfy this provision of the law. Unless a separate authorization is provided for this purpose, this amount will be diverted to other purposes and will further diminish the inadequate resources authorized for Interstate completion. Lacking such separate authorization, we would urge that the requirement for a one-half percent minimum apportionment for Interstate completion be eliminated.

4. Interstate 4R Needs and Apportionments

We echo the thoughts of the Subcommittee Chairman who stated in his introduction to this legislation: "because the total dollars available for our Nation's highways and roads are limited, it is imperative that (Interstate 4R) funds are allocated based on the best available needs data". We welcome the study which would be mandated by the proposed legislation. However, we should not have to wait for the results of a two year study to allocate funds on the basis of the "best available needs data".

We would like to direct the Committee's attention to the Interstate Resurfacing, Restoration and Rehabilitation Needs Study, Update 1980 Report which was released by the Federal Highway Administration early in 1981. This report which is an update of a study mandated by Section 150(b) of the Federal-aid Highway Act of 1976 identifies almost $21 billion in Interstate 3R needs over the decade ending 1989 on a state by state basis. A copy of this study is attached.

A comparison of the cost-to-complete the system before the redefinition was effected last year as reported in Committee Print 97-18 with the approved cost estimate presented as Committee Print 97-28 would provide a good estimate of the reconstruction needs which were shifted from Interstate Completion to the 4R Program. The sum of each State's reconstruction needs (the 4th R) as determined by this comparison and the 3R needs as identified in the FHWA report would provide a useful estimate of the total relative needs of each State for Interstate 4R funds, and could provide the basis for a needs responsive apportionment formula. We suggest that pending completion of the new mandated needs study, consideration be given to using "the best available needs data" to focus our limited funds where they are most needed now. A tabulation is attached presenting each State's apportionment factor under this proposal.

5. Interstate Transfer Highway Substitute Projects

We oppose imposing the additional burden of substitute highway projects on the already overloaded Highway Trust Fund. We would prefer to see the funding of both highway and transit substitute projects from general revenues. Including them in the Highway Trust Fund will only reduce the authorizations which are available for other needed highway programs and will adversely affect the 32 States which have not withdrawn portions of their designated Interstate routes.

New York was allocated only $6.3 million of $288 million in Federal funding which was appropriated nationally for financing substitute highway projects -- less than 2.2 percent. Our backlog is about 6 percent of the $3.2 billion which has been committed for highway substitute projects. Lacking any equitable distribution formula, New York and a number of other states have been badly shortchanged in the distribution of these funds. To eliminate such inequity we propose that at least 75 percent of the available funding be apportioned to each State on the basis of their relative share of the backlog of national funds committed to financing of highway substitute projects.

At the funding levels in the proposed legislation ($950 million over four years) it will require almost 14 years to fully fund the present backlog of $3.2 billion in highway substitute projects. Considering additional projects which will be added as the 1983 deadline approaches and the effects of inflation it will probably require more than 20 years to discharge the Federal commitment to financing of substitute highway projects. Obviously the states will have to wait a long time for the Federal government to redeem this pledge. Delays in completion of the Interstate substitution projects are resulting primarily from the failure of the Federal government to provide sufficient funds in a timely manner. To further penalize the States for these delays by eliminating the escalation of project costs after 1983 is totally unfair. We suggest the proposed legislation be amended to allow escalation of project costs after 1983.

6. The Bridge Replacement and Rehabilitation Program Formula

We strongly support the proposed change in the formula which would be used to distribute future Bridge Replacement and Rehabilitation funds. The present apportionment factors are based upon incomplete and inaccurate estimates by FHWA of the relative bridge needs of each state, which was the best data available at the time of enactment of the 1978 legislation. Since the time of enactment of that legislation, the FHWA has completed an accurate inventory of the condition of all of the bridges in the United States -- both on and off the Federal-aid system. This new inventory will provide a much better basis for the equitable apportionment of the limited available funds. There is no reason why we should ignore this current data, and continue to distribute FFY 1983 and future year Bridge Replacement and Rehabilitation funds on the basis of incomplete and ccurate data available in 1978.

However, we suggest that it makes little sense to invest time and energy to develop a sophisticated formula based on each state's relative bridge needs costs - and then ignore the differential unit costs of bridge replacement and rehabilitation in the individual states. States like Vermont, Rhode Island and New York should not be penalized because, for a variety of circumstances, it cost more to replace a bridge in our states' than the national average. We would urge reconsideration of the proposal to use average national unit costs in computing each states bridge needs and go back to a previous proposal which would recognize the fact that it will cost more to replace or rehabilitate bridges in some parts of the country than in others.

7. The Maximum Amount of Bridge Replacement and Rehabilitation Funds to Any State

Although not specified in the 1978 law, Congress indicated that its intent was that no state should be apportioned more than 8 percent of the total distribution for the Bridge Program. This was the only highway program capped in this manner. In all other programs apportionments are made in accordance with the amounts calculated by application of the appropriate apportionment formula which reflects some measure of relative needs. On the basis of the Interstate Cost Estimate, California was apportioned 11.065 percent of Interstate Completion funds last year. Their share of Interstate 4R funding was 9.42 percent and their share of the FAUS program was 12.67 percent.

Based upon the FHWA inventory data, New York's relative bridge needs of $2.8 billion, outstrip any other state's and account for over 18 percent of the national needs. Even under the proposed formula which ignores the high relative unit cost of bridge work in New York we would be entitled to about 11 percent of the national authorization. The arbitrary 8 percent limit imposed by the 95th Congress reduces New York State's apportionment to less than half the amount to which we are entitled. We are the only state which is adversely affected by this cap. In the spirit of equity we urge the Congress to remove this arbitrary limit which has been imposed upon us.

8. Discretionary Bridge Program

We support the proposed effort to develop a rational process for the selection of discretionary bridges authorized to be funded under Section 144(g), Title 23 U.S.C. Although the language is not quite clear we assume that it is intended that the new formula which is to be developed will apply only to the selection of additional bridges in the future and will not affect the status of those bridges already selected through legislative history for priority treatment. This should be clarified either through amendatory legislative language or discussion in the Committee Report.

9. The Primary Program

The 271,000 mile Primary System includes virtually all rural principal and minor arterials and 30 percent of the urban principal and minor arterials. The system carries 29 percent of all travel nationally as compared to 19 percent carried on the 42,500 mile Interstate System. In New York our 8,400 miles of Primary roads carry 33 percent of our annual travel versus only 10 percent on our 867 mile non-toll Interstate.

The Primary Program is the most important and most underfunded category for New York State and all other states, as evidenced by the speed that annual apportionments of primary funds are obligated, compared to all of the other Federal-aid categories. While the Interstate, Secondary and Urban Programs have national backlogs of unobligated apportionments averaging 1.2, 1.5 and 1.7 times the FFY 1982 apportionment levels respectively, by the end of February of this year over 20 percent of the amounts apportioned on October 1, 1981 for the Primary Program had already been obligated. In New York we have already obligated almost 50 percent of our 1982 Primary apportionment, leaving us with about $36 million in unobligated balances for the next six months.

The authorization levels proposed in S. 2315 are totally inadequate and should be substantially increased for FFY 1983 to at least the 1982 levels of $1.8 billion. Consideration should be given adjusting this level annually to account for at least some of the loss in construction which will be due to inflation. We suggest that $300 million can be added to the Primary authorization for FFY 1983 by drawing down the $9.0 billion cash balance remaining in the Trust Fund.

10. Discretionary Priority Primary Program

We strongly support the proposal to retain the Discretionary Bridge Replacement Program. This program has helped 26 states reconstruct needed bridges of unusually high cost. Similarly, the complementary Discretionary Priority Primary Program was initiated to provide a source of funding for highway projects of unusually high cost or which require long periods of time for their construction. Over the years, a large number of worthwhile projects in 15 states have been funded through this discretionary program.

To date, selection of projects for both discretionary programs are based upon a strict interpretation of legislative history and intent. This legislation proposes to retain the discretionary Bridge Program and alter the selection process, while discontinuing the complimentary Discretionary Priority Primary Program. We would propose that a rational selection process based upon needs be developed for the Priority Primary Program and that the program be retained and funded at current levels.

11. Elimination of Miscellaneous Categorical Programs

We were pleased to note that the proposed legislation will finally terminate a number of narrow categorical programs which have a limited applicability and scope. The objectives of the discontinued programs (Economic Growth Center Development, National Scenic and Recreational Highway Program, Access Highways to Public Recreation Areas on Certain Lakes, Highways Crossing Federal Projects and the Railroad/Highway Crossings Demonstration Program) can all be more cost-effectively achieved by the judicious use of other Federal-aid funds. However, at the same time the proposed legislation would eliminate a number of low priority, narrow categorical programs, it is proposed to create a new $50 million low priority, narrow categorical program to demonstrate the feasibility of extending coverage of State certification acceptance procedures. While the objectives of the proposed demonstration are laudable, we do not understand why such a project cannot be undertaken and funded as an Interstate Transfer Substitute Highway Project or under the provisions of one of the existing major programs (Primary, Rural, Urban). Consideration should be given to adding this $50 million to the inadequately funded Interstate Transfer program or some other established program.

12. Secondary and Urban Programs

We support the provisions of S.2315 which will expand the Secondary and Urban programs to all public roads and streets and will extend the programs through FFY 1986. We agree that these programs have less national significance than the Interstate, Bridge and Primary Programs and consequently, a lower level of Federal participation in such projects is appropriate.

However, we take exception to the arbitrary shifting of $100 million annually from the Urban Program to the Rural Program. Although the mileage of rural roads covered by the new Rural program exceeds the mileage of urban streets, the urban streets must provide service for almost twice the number of vehicles as the rural roads. This requirement for service is reflected in the relative amounts currently authorized for both programs and should be maintained in the new legislation.

13. Safety Programs

While the highway accident rate in New York is 60 percent above the national average and the highest in the country, the proposed legislation will change the apportionment formula to significantly reduce New York's share of needed safety funds from the new consolidated Safety Program. This reduction in our apportionment factor coupled with the 75 percent cut in authorization levels proposed in the legislation will cripple and virtually eliminate any effective Federally financed safety program in the State. We would propose to restore funding for this program to a more reasonable level, and to continue distributing the funds on the basis of the present formula for highway safety programs.

EXECUTIVE SUMMARY

Field estimates for the 1980 Interstate Resurfacing, Restoration, and Rehabilitation (3R) updated needs study were completed by March 15, 1930, as requested in our instructions. The Division Administrators were given primary responsibility for completing the estimate. In most instances, the Division Administrators were assisted by the State highway agencies.

The objective of the updated 3R needs study was to arrive at a reasonable estimate of 3R needs over the 10-year time frame from 1980 through 1989. The 3R needs estimate was limited to work on roadways carrying Interstate traffic. Work that is considered normal maintenance was excluded. Toll roads expected to be eligible in New York, West Virginia, Ohio, Illinois, and Kansas under Sections 105 and 116 of the 1978 Surface Transportation Assistance Act and roads designated under Section 139(a) of Title 23, U.S.C., were included in the estimate.

In summary, the estimated 3R needs for the Interstate System during the study period from 1930 through 1989 are:

1)	Estimated pavement needs on 35,605 miles of nontoll routes	$16.8 billion
2)	Estimated pavement needs on 1,089 miles of toll roads expected to have agreements	$ 0.5 billion
3)	Estimated bridge deck needs on nontoll routes (36,823 bridges)	$ 3.5 billion
4)	Estimated bridge deck needs on toll roads expected to have agreements (740 bridges)	$ 0.1 billion
	Total	$20.9 billion

The estimates were developed using information on hand in the field offices and State highway agencies. Bridge deck estimates were based on structure inventory data on file in the Washington Headquarters of the Federal Highway Administration. The reported needs (reported in 1979 dollars) are considered a reasonable estimate for the 10-year study period.

The study data shows the pavement and bridge deck needs for the first 2 years are about $7.0 billion and subsequent needs average $1.4 billion annually. Comparisons with the 1976 Section 150(b) study data shows a significant increase in the initial needs due to inflation and an apparent lack of funding for needed work.

INTERSTATE RESURFACING, RESTORATION AND REHABILITATION NEEDS STUDY UPDATE 1980

I. Introduction and Background

In accordance with Section 150(b) of the Federal-Aid Highway Act of 1976, a report was transmitted to the Congress in 1977, detailing the Interstate Resurfacing, Restoration, and Rehabilitation (3R) needs. The needs estimated in that report covered the 20-year period from 1976 to 1996. The States assisted in the Section 150(b) needs study by: (1) outlining their expenditures for maintenance on the Interstate; (2) evaluating their Interstate pavements and estimating the costs of 3R work needed then and over the subsequent 20-year period; and, (3) verifying the cost of 3R work on bridge decks estimated from the structure inventory data.

In the fall of 1979, the decision was made to prepare an updated Interstate 3R needs study which would be used to develop and support various legislative initiatives being considered in the Department and to provide guidance in the management of the current and future 3R program. On January 25, 1980, General Instructions (Attachment 1) were transmitted to the FHWA Regional Administrators and Division Administrators for updating and expanding the Section 150(b) needs study. The instructions indicate the updated 3R needs study would not be used for apportioning funds to the States. The Division Administrators were given primary responsibility for completing all elements of the study except for the bridge deck estimates which were completed by the Washington Headquarters Bridge Division.

II. Study Objectives and Scope

The objective of the updated 3R needs study was to arrive at a reasonable estimate of 3R needs over the 10-year time frame from 1980 through 1989. In general, the needs estimated were limited to work on roadways carrying Interstate traffic. Work considered routine maintenance was excluded from the study. All of the estimates were based on current needs and those needs which could be projected to occur within the 10-year study period using existing pavement and bridge information.

As in the Section 150(b) needs study, pavement and bridge deck needs currently eligible for Interstate 3R funds were estimated for segments open to traffic. The pavement needs were estimated from the outside of the shoulder to the outside of the shoulder. The bridge deck needs were parapet to parapet. In addition the estimate for the Interstate work currently eligible for Interstate 3R funds, estimates were made on pavements and bridge decks on Interstate toll routes anticipated to be covered by agreement required under Sections 105 and 116 of the 1978 Surface Transportation Assistance Act (STAA). This work on toll roads would become eligible for Interstate 3R funds when required agreements have been obtained.

Mileage open to traffic by December 31, 1979, was included in the study and consisted of:

1. All toll free Interstate mileage designated under Section 103(e) of Title 23, U.S.C. (42,500-mile System plus the Howard-Cramer Additions);

2. Toll free Interstate routes or segments designated under Section 139(a) of Title 23, U.S.C.; and

3. Toll Interstate routes expected to become eligible under Sections 105 and 116 of the 1978 STAA.

III. Results

The total estimated needs for pavements and bridge decks for all Interstate routes open to traffic, including certain toll roads, is $20.9 billion. The updated and expanded 3R needs study summarized in Table 1 was developed for the 1980 through 1989 period using available condition data. Excellent cooperation and assistance from the field offices enabled the estimates to be submitted around the target date of March 15, 1980. We consider the estimated needs contained in this report to be the best estimate available of 3R needs on the Interstate System.

Narrative reports submitted by several field offices indicated that the estimate is conservative since detailed field surveys and section by section analyses of all needs could not be accomplished by the target date.

Pavement Needs:

The total pavement needs estimated for all States over the 10-year study period from 1980 through 1989 is $17.3 billion. This includes $0.5 billion for pavements on the toll roads in New York, West Virginia, Illinois, Ohio and Kansas which are expected to be covered by agreements per Sections 105 and 116 of the 1978 STAA within the 10-year study period. The estimated pavement needs largely reflect an update and reevaluation of the Section 150(b) needs study.

The costs reflect the inflation which has occurred since the Interstate 3R needs study was transmitted to Congress in 1977; the addition of new, open to traffic segments; rescheduling and re-examination of 3R projects needed; and the experience gained in the 3R program since the previous estimate. Average 1979 low bid prices were used to estimate the pavement needs. Several narrative reports indicated that the States generally considered the pavement estimate to be a realistic estimate of pavement needs and a better estimate than that contained in the Section 150(b) needs study. The reason for the confidence in the pavement estimate is that many States now have ongoing pavement management programs enabling better estimates of work on deteriorating pavements. The needs data obtained in this study shows that, in general, the most pressing problem facing many of the States is the fact that pavements are deteriorating at a greater rate than they can be maintained. Many States have had proposed 3R projects which had to be deferred or only partially implemented due to lack of sufficient 3R funds. A State by State breakdown of all pavement needs for free and toll route sections open to traffic on December 31, 1979, may be found in Table 1, page 4.

Bridge Deck Needs:

The total bridge deck needs estimated for all States over the 10-year study period is $3.6 billion. This includes $0.1 billion for toll road bridge decks. Curb to curb bridge deck needs were estimated by the Washington Headquarters Bridge Division for mainline Interstate bridge decks, including those on the toll roads in the five States previously mentioned. Deck costs on ramps were included in the mainline deck estimates.

The needs were estimated using data in the structure inventory and were divided into three groups. The first group of bridge decks consisted of those needing major restoration and having condition ratings of 0 to 4 estimated to require complete deck replacement. The second group of bridge decks consisted of those needing moderate restoration and having condition ratings of 5 or 6 and which require substantial deck rehabilitation. The third group of bridge decks consisted of those needing minor restoration and having condition ratings of 7 to 9. These decks require minor to no rehabilitation.

Three different unit costs were developed for each region by applyiung a factor to the unit costs used in the Section 150(b) needs study. The factor was developed from ratio of the 1979 and 1976 bridge cost indices for each region as shown in the Price Trends for Federal-aid Highway Construction.

Table 1, page 4 contains a State by State breakdown of the needs on all mainline Interstate bridge decks and includes needs on certain toll roads.

FEDERAL HIGHWAY ADMINISTRATION

TABLE 1
PRELIMINARY SUMMARY OF INTERSTATE 3R NEEDS
STUDY PERIOD 1980 THRU 1989 1/
(Costs - $1,000)

STATE	MILES ESTIMATED	PAVEMENT NEEDS	BRIDGE DECK NEEDS	TOTAL R-R-R NEEDS
ALABAMA	765.9	609,329	31,799	641,128
ARIZONA	1,104.9	150,283	28,204	178,487
ARKANSAS	521.3	778,279	41,568	819,847
CALIFORNIA	2,252.4	1,067,220	352,490	1,419,710
COLORADO	887.8	264,233	50,789	315,022
CONNECTICUT	220.4	198,981	14,238	213,219
DELAWARE	27.0	13,920	7,566	21,486
DIST. OF COLUMBIA	10.8	12,189	13,373	25,562
FLORIDA	1,104.1	604,537	126,681	731,218
GEORGIA	1,069.2	389,726	72,818	462,544
HAWAII	19.9	12,232	32,046	44,278
IDAHO	492.3	230,972	13,506	244,478
ILLINOIS	1,703.6	878,092	132,373	1,010,465
INDIANA	962.9	530,239	51,405	581,644
IOWA	724.9	416,290	31,007	447,297
KANSAS	787.3	230,310	45,944	276,254
KENTUCKY	646.5	443,795	45,013	488,808
LOUISIANA	552.8	390,933	273,877	664,810
MAINE	261.0	56,422	5,874	62,296
MARYLAND	285.5	265.159	23,973	289,132
MASSACHUSETTS	344.2	189,551	72,357	261,908
MICHIGAN	1,092.4	270,170	95,026	365,196
MINNESOTA	859.7	243,655	56,959	300,614
MISSISSIPPI	640.9	469,947	33,658	503,605
MISSOURI	1,336.5	614,921	73,736	688,657
MONTANA	1,105.4	200,333	17,082	217,415
NEBRASKA	480.8	131,048	13,949	144,997
NEVADA	472.0	105,306	9,682	114,988
NEW HAMPSHIRE	183.3	56,383	18,454	74,837
NEW JERSEY	283.2	105,889	71,303	177,192
NEW MEXICO	999.2	442,136	35,135	477,271
NEW YORK	1,296.5	1,366,390	462,662	1,829,052
NORTH CAROLINA	741.0	254,512	75,028	329,540
NORTH DAKOTA	525.4	81,809	1,730	83,539
OHIO	1,520.0	223,197	161,429	384,626
OKLAHOMA	630.0	185,443	79,460	264,903
OREGON	559.4	234,340	39,735	274,075
PENNSYLVANIA	842.2	426,149	122,235	548,384
RHODE ISLAND	68.8	5,583	18,345	23,928
SOUTH CAROLINA	226.0	93,790	22,105	115,895
SOUTH DAKOTA	640.4	197,301	18,907	216,208
TENNESSEE	1,017.6	540,870	79,705	620,575
TEXAS	2,514.2	1,788,358	305,230	2,093,588
UTAH	538.1	239,872	9,991	249,863
VERMONT	293.6	62,899	4,811	67,710
VIRGINIA	883.3	90,931	92,784	183,715
WASHINGTON	655.7	159,884	30,250	190,134
WEST VIRGINIA	416.8	286,334	39,098	325,432
WISCONSIN	526.3	559,887	129,734	689,621
WYOMING	599.2	139,091	10,962	150,053
TOTAL	36,693.6	17,309,120	3,596,086	20,905,206

FOOTNOTES

1/ Estimated costs include work on toll routes expected to become eligible under Sections 105 and 116 of the 1978 Surface Transportation Assistance Act.

DATE 10/1/80 COMPILED BY :NG-13 CHECKED BY

DOT/FHWA

TABULATION BY STATES

Comparison of Section 150(b) Needs Study and the 3R 1980 Update Study

Comparison of the 3R needs estimated in the Section 150(b) study and this 1980 update shows there have been substantial increases in 3R program needs. The Section 150(b) study, in 1975 dollars, showed pavement needs of $16.8 billion and bridge deck needs of $1.7 billion over a 20-year period beginning in 1977. Since the Section 150(b) estimate was made in 1976 some $603 million in Interstate 3R funds have been obligated but as the 1980 estimate update shows, in 1979 dollars, pavement needs are $16.8 billion and bridge deck needs are $3.5 billion for a 10-year study period beginning in 1980. A comparison of the two cost estimates (shown below with the Section 150(b) data adjusted to 1979 dollars) indicates the substantial increase in initial needs and the impact of inflation and funding shortages since the 1976 study.

Initial 3R pavement needs have increased significantly since the previous estimate. The 1976 study showed an initial need of $2.28 billion (in 1979 dollars) for 1977-78 and the 1980 update shows some $6.13 billion in needs for 1980-81. After the 1976 study some 1,900 miles were opened to traffic, however, this mileage would not be expected to contribute significantly to the increase in the initial needs. Other comparisons of study data show inflation and lack of funding for 3R work are the main causes of the increase in initial needs.

Inflation as indicated by price trends in Federal-aid construction show surfacing costs have increased by nearly 50 percent since the 1976 study. Therefore, while the 1976 study showed pavement needs of $4.8 billion (in 1975 dollars) through 1981 and some $600 million have been expended for 3R work the 1980 estimate update now shows the needs through 1981 to be $6.1 billion for pavements. Meanwhile in terms of work volume, the initial 3R pavement needs (through 1981) have declined by 7 percent to 48,800 lane-miles in rural areas and increased by nearly 10 percent to 20,200 lane-miles in urban areas for a net decrease overall of 2,090 lane-miles. This indicates inflation was a major factor and there was little progress in reducing needed work.

The estimate of 3R needs on bridge decks shows a similar lack of progress but in addition a comparison of bridge deck data shows there is probably a significant amount of deterioration that cannot be readily identified in the pavement estimate. The estimate of 3R needs on Interstate bridge decks shows while the total number of bridges in the inventory increased by nearly 3,800 since the 1976 study the net increase in the number of bridges with the higher bridge deck condition rating of 7 to 9 was only 1,179. The net changes in inventory data for other categories of bridge deck condition ratings show the group requiring moderate 3R restoration increased by 2,555 bridges and the group requiring major 3R work increased by 64 bridges. These increases in the moderate and major 3R work groups

Comparison of Study Data
(Excludes Toll Sections)

	Section 150(b) Study (in 1975 dollars)	Section 150(b) Study (in 1979 dollars)	1980 Update (in 1979 dollars)
Pavements			
Total Pavement Needs	$16.77 billion	$28.86 billion[1]	$17.27 billion
Mileage included in study	35,603		37,511
Mileage needing 3R work (includes more than one cycle)	35,026		36,694
Lane miles open to traffic	155,741		164,785
Lane miles of 3R work	266,022		188,469
Average estimated annual need for study period	$ 0.838 billion	$ 1.238 billion	$ 1.727 billion
Average cost per lane-mile for each cycle	$63,000	$93,000	$91,500
Bridges			
Total Bridge Deck Needs	$ 1.67 billion[2]	$ 2.48 billion	$ 3.47 billion
Total Number of Bridges	33,025		36,823
Major Restoration: Deck with Condition Rating 0-4	558		622
Mod. Restoration: Deck with Condition Rating 5-6	3,513		6,068
Minor Restoration: Deck with Condition Rating 7-9	28,954		30,133

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[1] Adjusted to 1979 dollars after deducting obligations.
[2] Section 150(b) data excluding second cycle of 3R bridge deck work.

in turn increased the volume of 3R bridge work in both groups by about 50 percent thereby increasing the bridge deck estimate by some $500 million (in 1979 dollars). This $500 million cost increase in bridge deck work alone can be singled out as being due to deterioration since the 1976 study.

Comparison on an overall basis shows the volume of pavement work has decreased from 266,000 lane-miles in the 1976 study to 188,000 lane-miles in the 1980 update and pavement needs have decreased by some $6.6 billion (in 1979 dollars). The change in study period from 20 to 10 years has decreased the amount of work but not proportionately because at least $2.5 billion in pavement work previously scheduled prior to 1980 was not performed and is included in the initial needs of the 1980 update. The 1980 update also shows the volume, in lane-miles of work, has increased nearly 15 percent per year after the first 2 years. As a result the estimated average annual cost in 1979 dollars has increased from $1.2 billion to $1.7 billion and after the first 2 years averages $1.4 billion annually.

IV. Conclusions

The estimate of 3R needs contained in this report satisfy the objective of the study, to update the estimate contained in the Section 150(b) needs study.

The estimate results show inflation has occurred since the 1976 estimate. Another major contributing factor has been the accelerated deterioration of the System. Further funding delays or lack of sufficient funds can be expected to result in a need for much more massive expenditure of funds in the future to return the roadway to a reasonable and functional operating condition. The Federal Government has a substantial investment in the Interstate System which needs to be protected by an adequate 3R program and funding level.

The estimate shows under present eligibility policy, there is an annual need of $2.0 billion for 3R work over the next 10 years for pavements and bridge decks. The Section 150(b) needs study indicated an annual need of approximately $950 million (1975 dollars) after completing the initial backlog of about $2.6 billion. This update shows the initial needs for pavement alone have grown to $6.1 billion and is estimated to be about $7 billion if bridge deck needs are included. The average annual needs are about $1.4 billion for pavement and bridges without including initial pavement and bridge needs.

NEEDS FORMULA FOR APPORTIONMENT OF 4R FUNDS

Interstate 4R needs are composed of 3R needs, plus the Interstate reconstruction work which was shifted from the Interstate Construction Program as a result of the redefinition made by Congress in 1981. 3R needs for each state are documented in an FHWA final report "Interstate Resurfacing, Restoration and Rehabilitation Needs Study, Update 1980". The amount of funding to be transferred from the Interstate Completion Program to the 4R Program for each state can be computed from the comparison of the cost to complete the Interstate before redefinition (Committee Print 97-18) and the cost to complete after redefinition (Committee Print 97-28). The following table present apportionment factors for each state based upon their relative share of Interstate 3R needs plus the amount shifted to the 4R Program by redefinition of completion. The factors are adjusted to provide a minimum of 0.50 percent to each state.

(All Amounts In Millions)

State	Cost to Complete Comm.Pr. 97-18 Table 5	Cost to Complete Comm.Pr. 97-28 Table 5	4th R Needs	3 R Needs	Total 3R/4R Needs	Apport. Factor (%)
Alabama	1102	885	217	641	858	2.56
Alaska	0	0	0	0	-	.50
Arizona	630	456	214	178	392	1.17
Arkansas	228	72	156	820	976	2.91
California	4735	3586	1149	1420	2569	7.66
Colorado	954	560	394	315	709	2.11
Connecticut	1472	1034	438	213	651	1.94
Delaware	-	-	-	21	21	.50
Dist. of Col.	397	366	31	26	57	.50
Florida	2013	1748	265	731	996	2.97
Georgia	1869	1472	397	463	860	2.57
Hawaii	720	658	62	44	106	.50
Idaho	172	136	36	244	280	.83
Illinois	881	437	444	1010	1454	4.34
Indiana	482	106	376	582	958	2.86
Iowa	434	153	281	447	728	2.17
Kansas	394	256	138	276	414	1.23
Kentucky	1086	880	206	489	695	2.07
Louisiana	1653	1565	88	665	753	2.25
Maine	60	53	7	62	69	.50
Maryland	2553	2219	334	286	620	1.85
Massachusetts	976	986	-	262	262	.78
Michigan	1003	537	466	365	831	2.48
Minnesota	927	583	344	301	645	1.93
Mississippi	329	137	192	504	696	2.07
Missouri	740	298	442	689	1131	3.38
Montana	181	158	23	217	240	.72
Nebraska	-	-	-	145	145	.50
Nevada	242	153	89	115	204	.61
New Hampshire	116	94	22	75	97	.50

State	Cost to Complete Comm.Pr. 97-18 Co Table 5	Complete Comm.Pr. 97-28 Table 5	4th R Needs	3 R Needs	Total 3R/4R Needs	Apport.. Factor (%)
New Jersey	1083	985	98	177	275	.82
New Mexico	305	99	206	477	638	2.03
New York	2040	1643	397	1829	2226	6.64
North Carolina	684	498	186	330	516	1.54
North Dakota	-	-	-	84	84	.50
Ohio	883	541	342	385	727	2.17
Oklahoma	384	281	103	265	368	1.10
Oregon	400	350	50	274	324	.96
Pennsylvania	2156	1654	502	548	1050	3.13
Rhode Island	633	628	5	24	29	.50
South Carolina	653	491	162	116	278	.82
South Dakota	54	14	40	216	256	.76
Tennessee	770	387	383	621	1004	3.00
Texas	2656	1711	945	2094	3039	9.06
Utah	543	426	117	250	367	1.09
Vermont	14	10	4	68	72	.50
Virginia	1610	1075	535	184	619	1.85
Washington	1882	1419	463	190	653	1.94
West Virginia	826	763	63	325	388	1.16
Wisconsin	384	193	191	690	881	2.63
Wyoming	196	62	134	150	284	.84
	44556	32829	11727	20905	32632	100.00

ASSOCIATION
OF AMERICAN
RAILROADS

William H. Dempsey
President

April 29, 1982

Honorable Steven D. Symms
Chairman
Subcommittee on Transportation
Committee on Environment and
  Public Works
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

Enclosed is copy of a Statement of Position on behalf of the Association of American Railroads with respect to S. 2315, The Federal Aid Highway Act of 1982.

Your Subcommittee recently concluded hearings on this subject and while we were not scheduled for appearance I understand the record is still open for receipt of written statements.

I will very much appreciate your seeing that the enclosed statement is made a part of the formal record of such hearings to be considered by you and the members of your Subcommittee in your deliberations.

Sincerely yours,

William H. Dempsey

William H. Dempsey

cc: Members of Subcommittee
      on Transportation

1920 L Street, N.W., Washington, D.C. 20036 (202) 835-9126

Mr. Chairman and members of the Subcommittee, I appreciate the opportunity to provide the following comments on behalf of the Association of American Railroads on S. 2315, the "Federal-Aid Highway Act of 1982".

At this time, I will limit my remarks to matters associated with highway safety. At such time as the Subcommittee holds further hearings on other aspects of the highway program, such as user charges and/or cost-allocation, we would appreciate the priviledge of presenting additional testimony.

We commend the Subcommittee for providing for a "set aside" of 35 percent of the sums apportioned for highway-railroad grade crossing safety improvement projects under Section 113(a) of S. 2315. By this action it is obvious that you have recognized the significance and impact that the current "Section 203" program has had on highway safety. Let us recite just a few of the figures.

For the third consecutive year, a record low has been recorded for fatalities involving motor vehicle accidents at public grade crossings. Preliminary figures for 1981 from the Federal Railroad Administration indicates that 623 persons died in these accidents, a decrease from 708 in 1980 of approximately 12 percent. Total accidents also dramatically declined from 9,422 to 8,215 -- a reduction of almost 13 percent.

A more dramatic illustration of the success of the program is graphically illustrated in Figure 1 which is attached to my statement. Between 1974 and 1980*, the exposure at grade crossings -- which is a function of the frequency of train and motor vehicle movements — increased 8% while crossing fatalities decreased 45 percent between 1974 and 1981. The absolute number of fatalities decreased from 1,128 in 1974 to 623 in 1981 according to the Federal Railroad Administration.

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*Exposure data for 1981 is not available.

This rate of progress cannot be maintained, however, at the reduced funding level proposed by the subcommittee. The maintenance of the existing $190 million annually funding level is the minimum required for an adequate program. Inflation has steadily eroded the level of crossing installations envisioned for this program. The highway construction index has increased to 156.7 in 1981 from 100 in 1977. To maintain the same level of activity, based on this inflation index, would require an annual authorization of $298 million. The average cost of an active grade crossing traffic control installation today is $60,000. That is to be compared with a cost of $26,000 in 1974, $32,000 in 1976, and $38,000 in 1978. Thus, even at an annual funding level of $190 million, the number of crossing improvements will be sharply reduced. But "sharply reduced" would not begin to describe the effect of a cut such as that being proposed by the subcommittee. The subcommittee bill would authorize only $192.5 million in total! That allows for the next four years the equivalent of a one-year program!

At the program's inception, DOT recommended that projects at 30,000 sites be undertaken over a 10 year period. After a slow start up, the program is only now achieving the necessary level of 3,000 improvements per year and must operate at that level for at least another 4 to 5 years if the DOT program is to be achieved. Two factors are essential to continued success: adequate funding and categorization of those funds.

We recognize there are objections to the continued categorization of highway safety funds; but we believe the facts will show that without categorization an effective crossing program would not have been initiated and, in all likelihood, would not have been continued. Moreover, the states do have some flexibility. Under the existing program, up to 40 percent of the categorized funds have been eligible for transfer to other programs if a state has completed its improvements or considers other matters to be of higher priority. In the last year, seven states exercised their option to transfer funds. In fact, one state transferred $1.8 million into the "Section 203" program.

Much of the success of the program to date stems from the fact that it is in fact a national program. There is an established plan, there is a process, and there are funds specifically allocated to that purpose. Past experience demonstrates that a state-by-state, county-by-county, city-by-city approach to the grade crossing problem does not work. Too many interested groups are involved along with the highways of various classifications. Local roads, city streets, state highways and federal aid highways, each with different criteria, can cross a single railway line in any given metropolitan area. Allowing the grade crossing safety improvement effort to be dispersed among the states and local governments would create thousands of different programs, (or non-programs), as occurred in the past, and make it absolutely impossible to continue a national program in which the railroad industry can effectively participate.

Grade crossing safety improvements may require from 6 months to three years from initiation to completion. Various parties are involved in this program including state highway agencies, state regulatory agencies, local highway agencies, the Federal Railroad Administration, the Federal Highway Administration, railroad management, railroad unions, and material suppliers. Grade crossing improvement projects must go through a process which involves establishment of priorities, selection of specific projects to be implemented, execution of state-railroad agreements, design, ordering of materials, and installation. All parties of interest must plan and work together in the performance of each of these functions or the objective of "completed projects" becomes an agonizingly slow process.

Because there are so many parties involved in the successful implementation of a highway-railroad crossing safety project, we at the Association of American Railroads, in cooperation with the Federal Highway Administration, have sponsored and are continuing to sponsor a series of meetings among the participating parties in each of the states in order to identify and find solutions to problems which may be impeding the rapid installation of highway-railroad safety improvements. The participating parties represent the railroads serving the state, the state highway department or DOT, the FHWA, the AAR, RPI, FRA and Amtrak. Other organizations may also participate depending upon the circumstances in a particular state. These meetings have been highly successful in improving communications among the various participants and in overcoming barriers. They have contributed materially to increasing the pace of the program in various states and over one hundred and fifteen (115) such meetings have been held. The implementation of this program through these meetings and other avenues is a prime example of private industry, state and federal cooperation.

Reaching the present level of activity has not been easy. The attached obligation table (see Figure 2) graphically illustrates the time it took to reach a satisfactory level of effort. The many groups involved had to "gear-up" for such a massive effort, and, as the table indicates, a satisfactory obligation rate was not achieved until several years after the initiation of the program in 1973. These various groups also had to be assured that this would be a continuing program. This assurance was provided by Congress in 1976. The momentum that has been established would be lost were the funding level to be reduced as proposed in S. 2315.

The issue of safety at railroad-highway grade crossings is more than a century old but remains a matter of great public interest and importance today. As old as grade crossing safety itself, is the issue of responsibility. Public safety has been generally recognized as a proper Federal or state responsibility. In the past, the railroads were all too frequently required to use private capital for purposes that primarily benefited others. Grade crossing improvements were but one example of situations in which the railroads were often called upon to correct conditions that had developed through no fault of the railroads and over which the railroads had little or no control. The tracks were laid and the roads came later.

With respect to responsibility for grade crossing improvements, the Interstate Commerce Commission found in their report of February 10, 1964 in Docket No. 33440:

> "... That highway users are the principal recipients of the benefits flowing from rail-highway grade separations and from special protection at rail-highway grade crossings. For this reason the cost of installing and maintaining such separations and protective devices is a public responsibility and should be financed with public funds the same as highway traffic devices."

While most grade crossing improvements are not an obligation the railroads could or should assume, that is not to suggest that the railroads do not provide substantial financial assistance under the current program. All of the initial capital costs are met by the railroads with reimbursement being delayed anywhere from 6 months to 3 years. With an annual program of $190 million and interest rates reaching as high as 20 percent the railroads are making a substantial contribution in financing costs alone. For example, one railroad estimates an annual loss of $800,000 in unrealized interest due to bearing the "front-end" costs of this program. In addition to capital costs, the railroads also assume most of the maintenance responsibility for the devices -- a figure now running in excess of $100 million per year.

In conjunction with the grade crossing safety improvement program, the industry, through the AAR, Amtrak and individual railroads, also funds the "Operation Lifesaver" program administered by the National Safety Council. This program creates driver awareness, encourages active enforcement of grade crossing safety laws, and coordinates efforts at the state and local level for the purpose of improving grade crossing safety. "Operation Lifesaver" enhances and compounds the benefits of the engineering safety improvements made possible through the 1973, 1976, and 1978 highway acts. Presently staffed with a full time coordinator, the program is now active in 30 states. The grade crossing improvement program and related programs such as this have paid off. They should not be left to founder in midstream.

In connection with the issue of project funding, I would like to note two other concerns. First, we support the provision for a 90 percent Federal share payable out of the Highway Trust Fund and the existing apportionment formula left intact with all funds being available for use wherever they are needed, i.e., whether roads are located on or off the federal-aid highway system.

Second, we urge modification of the waiver provision which would be included in Section 151(c) of Title 23 of the U. S. Code. There is no provision for input from other interested parties for the Secretary's determination if other safety projects are of a higher priority. We respectfully urge that the section be modified to require the Secretary to consult with other interested parties before approving a waiver.

OTHER HIGHWAY PROGRAMS

While the grade crossing problem is of principal concern to the railroad industry, we would like to mention two other highway programs which are of interest to the railroads.

BRIDGES

As you know, there is a serious highway bridge problem in this country. Recognizing this problem, Congress created the Special Bridge Replacement Program in the 1978 legislation. This program is designed to assist in the replacement of bridges which are structurally deficient or functionally obsolete.

Under present law, highway bridges over railroads are deemed eligible for rehabilitation or replacement, but railroad bridges over highways, which were originally installed to serve the same traffic flow and safety functions, are not eligible. Whether the highway is over or under the railroad is primarily a function of the topography at the particular site. Many of these bridges were built by the railroads at the request of the states some years ago, but now create highway hazards because they are too narrow or the overhead clearances are too low for today's automobile and truck traffic. In some cases, four-lane highways are reduced to two lanes, in order to pass under these bridges, and are then expanded again to four lanes.

Replacement or rehabilitation of these railroad bridges over highways is of little or no benefit to the railroad, but would be of great benefit to highway users. Their replacement or rehabilitation should be equally eligible for funding. Accordingly, we urge that the legislation now being considered include eligibility of railway bridges over highways in the special bridge replacement program along with highway bridges over railroads.

RAILROAD RELOCATION

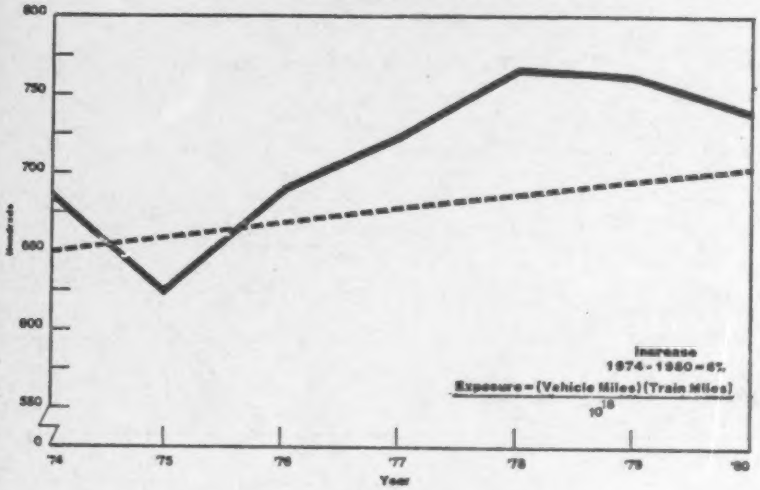
Urban growth presents another situation in which the railroad system has been overtaken by events and, as a consequence, hazards or other undesirable effects have been created for which the railroads are not responsible.

Section 163 of the 1973 Highway Act authorized demonstration projects to test the effectiveness of the systems approach to solving this problem of urban/rail conflicts, and directed the Secretary of Transportation to report the results of the national railroad relocation and consolidation study to Congress by July 1, 1975. We assisted the Department of Transportation in the development of the data for that study.

The study identified 184 cities which are planning or proposing railroad relocation projects. While these projects sometimes contribute to the efficiency of railroad operations, nearly all of the benefits resulting from relocation accrue to the community in the form of reduced congestion, energy conservation, improved development potential, and ecological and aesthetic improvements. The cities have been quite vocal in their expressions to the states, the railroads and the Congress concerning their need for these improvements. While the railroads are not the beneficiaries of that program, we do support the continuation of the "18 cities demonstration program".

Figure 1

POTENTIAL EXPOSURE AT HIGHWAY-RAILROAD CROSSINGS



HIGHWAY-RAILROAD MOTOR VEHICLE FATALITIES AT PUBLIC CROSSINGS

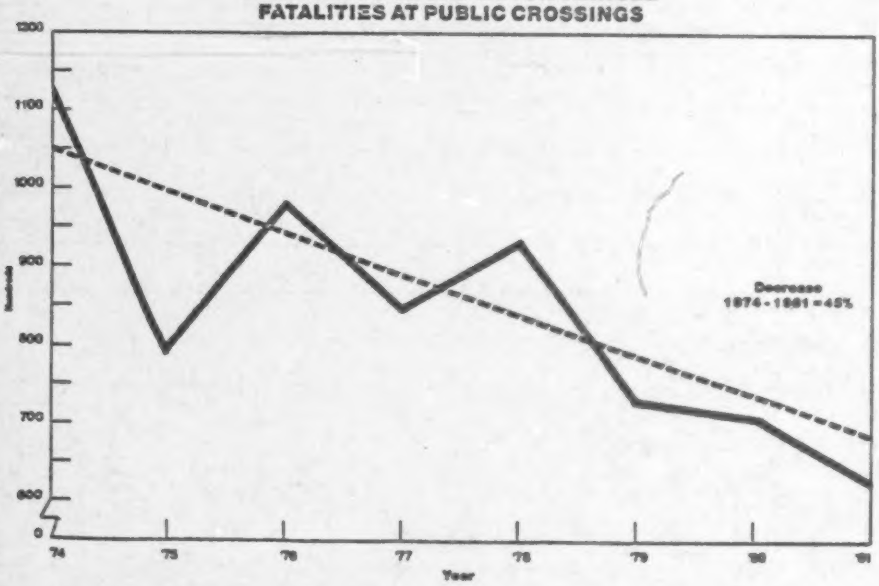
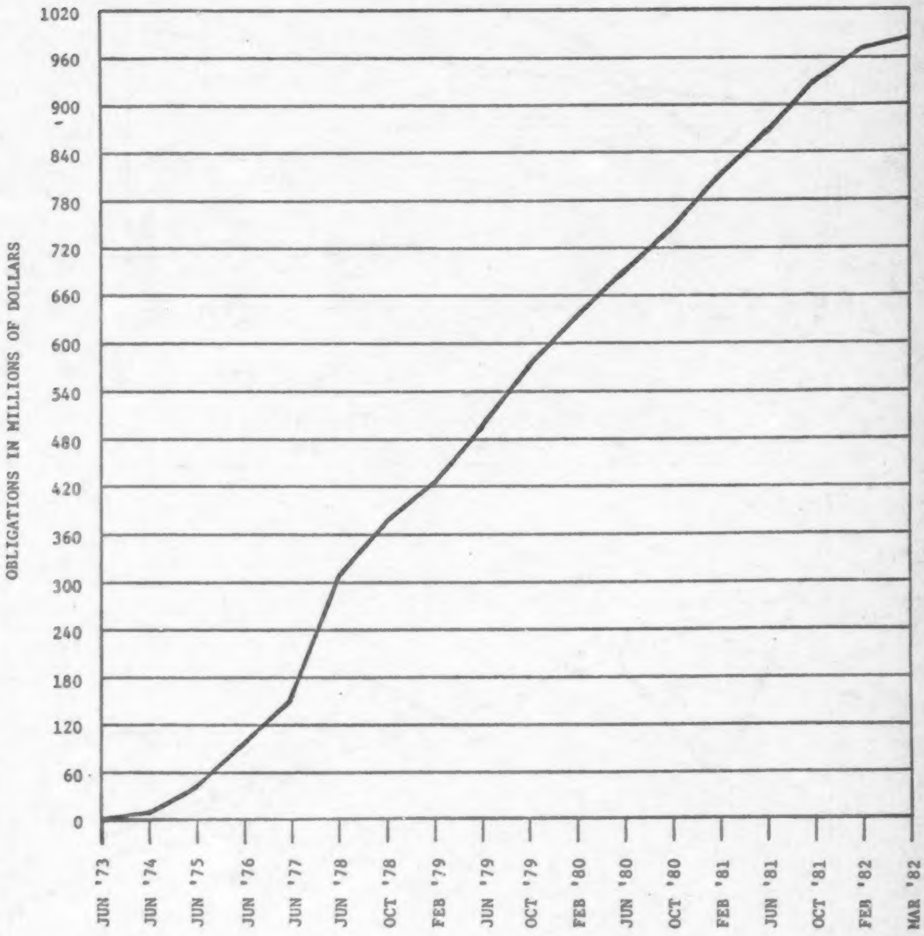


FIGURE 2

OBLIGATIONS UNDER THE SECTION 203
HIGHWAY-RAIL PROGRAM, ON SYSTEM
AND OFF SYSTEM



American Farm Bureau Federation

AMERICAN FARM BUREAU FEDERATION

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WASHINGTON, D.C. 20024
AREA CODE 202 - 484-2222

May 21, 1982

Honorable Robert T. Stafford, Chairman
Senate Committee on Environment and Public Works
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

We are submitting the attached statement on behalf of the American Farm Bureau Federation regarding the Federal-Aid Highway Act of 1982.

We appreciate the opportunity to present our views and request that our statement be made a part of the hearing record.

Respectfully,

John Datt

John C. Datt
Secretary and Director
Washington Office

lh
Attachment
cc: Committee Members

STATEMENT OF THE AMERICAN FARM BUREAU FEDERATION TO THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS ON THE FEDERAL-AID HIGHWAY ACT OF 1982, S. 2315

May 21, 1982

The American Farm Bureau Federation is pleased to submit comments concerning S. 2315, "The Federal-Aid Highway Act of 1982." Farm Bureau is the nation's largest general farm organization representing more than three million member families in 48 states and Puerto Rico.

Farm Bureau policy regarding highways, as adopted by the voting delegates of the member State Farm Bureaus at the American Farm Bureau Federation's annual meeting in January 1982 states:

> "The Federal Highway Trust Fund should be maintained as now constituted and no further diversion of these highway funds to nonhighway-related purposes should be permitted. The Interstate Highway System should be completed at the earliest possible time. The Trust Fund should then be used for upgrading and rehabilitating the federal-aid system.
>
> "New highway construction should utilize existing highways and rights-of-way wherever feasible. We will support an amendment to the Federal Transportation Act of 1956 to give the preservation of prime farmland the same standing as the preservation of parkland, wildlife preserves and similar lands.
>
> "Action needs to be taken by Congress and the Department of Transportation to end the neglect of the rural highway system, including the serious problem of inadequate and dangerous bridges. Bridge and road maintenance should have first priority on monies spent on highway projects.
>
> "The best means of reducing the cost of truck transportation and of conserving fuel is to permit the use of twin trailers on the Interstate Highway System. We favor amending federal law to provide for such a national policy.
>
> "We will work for limitations on truck weights and dimensions on the Interstate Highway System aimed at no less than 80,000 pounds on gross weight and 65 feet on length. States with existing standards which exceed these limitations should be permitted to continue such standards. Standards also should provide for a reasonable distance for trucks to be loaded on and off the interstate system.
>
> "We favor elimination of the federal highway use tax on farm trucks."

Since the policy positions express Farm Bureau's views in regard to highway transportation in general, we will not comment specifically on all the sections of S. 2315. However, we do want to emphasize our views on certain aspects of the bill which we believe would improve the quality of highway transportation throughout the country.

Completion of the Interstate Highway System at the earliest possible time should receive priority consideration by Congress. The most serious deterioration has occured on the Interstate System where the percentage of miles rated in poor condition has more than doubled in recent years. The severity of this past winter and previous winters has caused extensive damage to roads in many Eastern and Midwestern states. In most instances, the extent of the damage and the repair costs make it very unlikely that the individual state can do the repairs within a reasonable period of time. While some of the repairs would have been necessary under normal conditions, there is little doubt that this winter greatly accelerated the breakup. The weather not only affected the Interstate System but also the primary, secondary and rural road systems as well.

The primary and secondary highway system is also in urgent need of resurfacing, restoration and rehabilitation. A substantial increase in funding is necessary, not only because of deterioration due to weather conditions, but also because the primary and secondary systems have been neglected due to emphasis on the completion of the Interstate System.

The need to upgrade and maintain the vital bridge links in our highway transportation system is approaching catastropic proportions, both on and off the federal-aid system. According to the Federal Highway Administration, four out of ten of the nation's bridges need major repair. Bridges in the rural areas, particularly, have fallen into disrepair. The cost of repairing or replacing these bridges in the United States today exceeds $40 billion. The capital for such repair and replacement is far beyond the capacity of the Highway Trust Fund, from which most bridge replacement money now comes. Unless we provide the needed additional funds to reverse this present trend, the condition of bridges on and off the federal aid system is likely to deteriorate beyond our ability to ever catch up.

The movement of grain and other agricultural commodities from farm to market requires a well-maintained system of rural highways. For the past few years, farmers have been plagued by deteriorating roads and unsafe bridges. Farm equipment has increased in size to the point that some farm tractors, combines and other vehicles cannot safely travel over the system.

Solving the bridge problem in this country will be a formidable effort. As stated above, replacing or rehabilitating the nation's deficient bridges is estimated at $41.1 billion. The cost estimate is expected to increase as additional bridges need replacing or rehabilitating. Although most highway traffic is on roads which rely on the federal-aid road and bridge program, funds are very limited. We urge Congress to consider giving the states greater flexibility to deal with the off-system bridge problem. Off-system bridge conditions are generally worse than on the federal-aid system and in many cases the conditions are extremely poor.

As mentioned earlier in our statement, the Farm Bureau policy with respect to the Federal Highway Trust Fund is that it should be maintained as now constituted and no further diversion of these highway funds to nonhighway related purposes should be permitted. The Highway Trust Fund currently has a balance of nearly $10 billion. Congress is obligated to use this money for the purposes for which it was originally authorized. Therefore, we do not support any proposal that would compel the users of the highway to pay a highway use tax for the purpose of subsidizing public or mass transit.

We appreciate the opportunity to submit our views on this legislation. Farm Bureau will be happy to work with you and the members of your Committee in your efforts to develop a better highway program for all concerned.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
UNITED STATES SENATE

*****

HEARINGS ON S.2315
FEDERAL-AID HIGHWAY ACT OF 1982

*****

STATEMENT BY WILLIAM C. WILKINSON, III
DIRECTOR OF PROGRAMS, BICYCLE MANUFACTURERS ASSOCIATION OF AMERICA, INC.

*****

SUBMITTED FOR THE RECORD

*****

icycle Manufacturers Association of America, Inc.
1101 - 15th Street, N.W.
Suite 304
Washington, D.C. 20005-5098
(202) 452-1166

21 April 1982

The Bicycle Manufacturers Association of America, Inc. is an industry trade group whose members account for approximately 85% of the domestic production of bicycles. Together with national, state and local bicycling organizations, the BMA works to promote the increased safe use of bicycles for all purposes, but especially for transportation.

The past 10 years have seen greatly expanded interest in bicycling, both on the part of cyclists and by Federal, state and local governments. Much attention has been given to improving conditions for cyclists operating on the streets and highways of our nation.

The existing system of streets and highways is, and will continue to be, the primary means of access for cyclists, whatever their destinations. Unfortunately, many of our existing streets and highways were designed and developed without sufficient attention to the needs of cyclists. Even more unfortunate and inexcusable is the continued practice of designing, constructing and rehabilitating facilities which fail to provide for good bicycle access.

S.2315, the Federal Aid Highway Act of 1982, will provide for certain technical amendments to Section 217 of Title 23. These amendments were included in last year's Senate Bill and were called for in the Secretary of Transportation's April 1980 report to the Congress titled, "Bicycle Transportation for Energy Conservation." They will broaden the range of projects which a state may undertake to support the increased safe use of bicycles for transportation, and generally increase the flexibility of the states to respond to the needs of cyclists.

-continued-

A second matter of great importance to cyclists is bridge access and the Bridge Replacement and Rehabilitation Program (Section 144 of Title 23). Substandard bridges, that is bridges whose design does not provide for safe bicycle travel, generally constitute one of the major bottlenecks to bicycle access. The major emphasis being placed on the replacement and rehabilitation of the many deficient bridges throughout the United States provides a unique opportunity to improve access for cyclists. We believe that S.2315 should be amended to require that explicit consideration be given to the needs of cyclists in the design and construction of bridges undertaken under this Section, as well as on all new bridges. In no case should bicycle use be prohibited, either by design or by regulation, on bridges where bicycle use is otherwise permitted on the streets and highways leading up to such bridges.

The provision discussed above will significantly improve the consideration of bicycles in conjunction with Federal Aid Highway bridge projects. Generally, we believe this approach, of integrating considerations for bicycle travel into the regular process of planning, designing and constructing highway facilities, is the best way to encourage and expand safe bicycle use.

(203) 529-6855

CCIA

CONNECTICUT CONSTRUCTION INDUSTRIES ASSOCIATION, INC.

1290 SILAS DEANE HIGHWAY, WETHERSFIELD, CONN. 06109

TESTIMONY
OF
CHARLES M. FOX
DIRECTOR OF GOVERNMENTAL AFFAIRS
SUBMITTED TO THE
SENATE ENVIRONMENT & PUBLIC WORKS COMMITTEE
SUBCOMMITTEE ON TRANSPORTATION
APRIL 21, 1982

The Connecticut Construction Industries Association, Inc. (CCIA) is a statewide organization representing over 200,000 employees engaged in all aspects of construction.

Our concerns over the continued demise of our nation's roads in general and our state highways in particular have prompted us to speak out on the provisions of Bill S.2315. It is our belief that the proposed legislation as currently drafted fails to address the needs of this country's road system and in making a halfhearted attempt only succeeds in heightening the discriminatory treatment among the states.

Federal-Aid Highway Authorization Levels

The overall authorization levels contained in S.2315 are lower than actually needed to address the rehabilitation requirements of our nation's roads and bridges let alone complete construction of the interstate system within the existing statutory deadlines. Authorization levels of at least $12 billion per year should be provided. This is documented by U.S. D.O.T.'s own figures and is also substantiated by private sector studies.

Interstate "4R" Program

The existing "4R" distribution formula and the new one proposed in S.2315 do not put the "4R" money where it is most needed. Any distribution based solely upon consideration of lane miles and vehicle-miles of travel ignores the real factors that should be part of the equation. It is obvious that states which have the "older" interstate segments, severe weather fluctuations and corridors of high truck traffic should be given the "lions share" of the rehabilitation moneys and should receive these moneys first in order to relieve these most acute needs. Rather than mandating another (multiyear?) U.S.D.O.T. study to determine what factors should be included in the distribution formula and waiting for its results to make some changes(during which time still further deterioration will take place) it is incumbent on you to act now on the basis of plain logic. After U.S.D.O.T. completes its study, you can refine the distribution formula to adjust the weights that should be assigned to the factors of age, weather, truck traffic and lane miles, but don't wait until after the baby is born to buy it a crib!!

Bridge Program

The apportionment formula for the bridge program should also take into account off-system bridges. A state in which off-system bridges comprise a large percentage of the total number of bridges is penalized under current law. Such a state does not receive an equitable portion of the existing annual authorizations under this program. The "discretionary bridge" program should be eliminated! In lieu thereof, each state would choose which priority bridge projects from within its annual bridge program apportionments it would fund. If there are any bridges that are crucial to the national defense, that a state cannot address within its annual apportionment, then the Federal Government would assume ownership of such bridge and make the necessary repairs and thereafter maintain such bridge as part of its military defense program.

Interstate Transfer Program

The authorization levels for the interstate transfer program in the bill do not even make a dent in the Federal government's obligation to those states that have in good faith traded in interstate segments in return for substitute highway projects. Nationally, there is an outstanding interstate trade-in credit of $5.5 billion. At the rate of funding provided in S.2315 it would take 23 years to complete all such authorized projects. Furthermore, because there is no distribution formula for these funds, some states have been receiving a windfall by recapturing more than their fair share of annual appropriations. A distribution fromula like that used in other highway programs must be established for the interstate transfer program that is fair to all the states that participate in this program.

While there are other provisions in S.2315 that are of concern to us, we have only highlighted those that are the most egregious in terms of shortchanging individual states and playing "russian roulette" with this country's economic future. Your committee has a responsibility to the public to protect this nation's roads and bridges. In order to meet this responsibility you should allocate the financial resources being made available in an equitable fashion taking into account what the documented needs are and where they in fact lie.

We fervently hope, that the Federal highway legislation that Congress enacts in 1982, addresses these concerns.

NATIONAL CRUSHED STONE ASSOCIATION
1415 ELLIOT PLACE, N.W.
WASHINGTON, D.C. 20007
EXECUTIVE OFFICES

May 4, 198

The Honorable Steven D. Symms
Chairman, Senate Environment
and Public Works Subcommittee
on Transportation
The United States Senate
4204 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Symms:

The organizations listed on the enclosed stateme
respectively request that the statement be made a par
of the hearing record on S. 2315, "The Federal-Aid Highway Act of 1982."

Respectively yours,

Gary W. Donnelly

Gary W. Donnelly
Vice President
Public Affairs

Enclosure

cc: Subcommittee Members

A STATEMENT
ON
LEGISLATIVE PROPOSALS FOR MEETING HIGHWAY PROGRAM NEEDS

Submitted jointly to
The Senate Subcommittee on Transportation of
The Committee on Environment and Public Works
by the

American Concrete Pavement Association
American Concrete Pipe Association
Associated Equipment Distributors
National Asphalt Pavement Association
National Constructors Association
National Crushed Stone Association
National Lime Association
National Limestone Institute
Portland Cement Association

May 4, 1982

In the past, the Subcommittee has heard testimony from various organizations including the American Road and Transportation Builders Association, the Associated General Contractors and the Highway Users Federation with respect to what is needed in legislation to meet the deteriorating conditions of this nation's federal-aid highway system. We continue to cooperate and work with these organizations in an effort to obtain at the earliest possible date a stable and adequately funded highway program.

As representatives of material and service suppliers to the highway construction industry, we have formed an additional coalition to compliment the efforts of others and to focus particular attention on the contribution the material and service supplier can make to an adequately constructed and maintained transportation system.

Our coalition was formed out of a unified support for Secreatary of Transportation Drew Lewis' proposal to increase highway user fees.

Attached to this statement are two letters sent by our coalition to President Reagan in support of the Secretary's proposal and in opposition to the oil import fee and excise tax on gasoline. We ask that these two letters be made a part of the record of this hearing along with this statement.

It is not our intention to recite the litany of highway needs. That is history and additional rhetoric will do nothing to solve the real problems that confront us all. The only thing that will is an increase in the highway user fees which support the Highway Trust Fund. We are ready to support a multi-year bill at the levels proposed by the Secretary, as well as similar proposals being studied on the Hill, if there is a chance for success. If not, we would rather not sacrifice the opportunity to achieve a meaningful program next year, and would opt for a one-year bill this year. We would then concentrate our energies on seeking our goals next year. We stand ready to work with the committee toward the achievement of this objective.

Sent via special messenger

Respond to:
Gary W. Donnelly
National Crushed Stone Association
1415 Elliot Place, N.W.
Washington, D.C. 20007
Phone: 342-1100

Cy Malloy
American Concrete Pipe Assoc.
8320 Old Courthouse Rd.
Vienna, VA 22180
Phone: 821-1990

April 9, 1982

The President
The White House
Washington, D.C. 20500

Dear Mr. President

As representatives of material and service suppliers to the highway construction and maintenance program, we strongly urge your support of Secretary of Transportation Drew Lewis' proposal to increase highway user fees.

The demonstrated capital needs essential to the maintenance and construction of our national defense highway system can only be met in a timely and cost-effective manner by increasing revenues into the Highway Trust Fund. We are assured by Mr. Lewis that the commitment of one cent of the five-cent proposal will be used for mass transit capital projects only. Based on this commitmentm we strongly support the Secretary's proposal.

Increased Highway Trust Fund user fee revenues, as proposed by the Secretary, will directly contribute to increased employment and economic activity in the severely depressed construction industry as well as the quality of life of all americans.

It is our strong belief that if this nation is to experience true economic recovery, such real growth must be based on a viable highway system, historically paid for by its users, and capable of sustaining the increased movement of goods that is intrinsic to national productivity.

As an important part of the highway industry, we hope that you will be able to support Secretary Lewis' revenue proposal. The following list of the material and service supply industries are behind Mr. Lewis' effort.

The American Concrete Pavement Association
The American Concrete Pipe Association
The American Subcontractors Association
Associated Equipment Distributors
National Asphalt Pavement Association
National Constructors Association
National Crushed Stone Association
National Lime Association
National Limestone Institute
National Ready Mixed Concrete Assoc.
National Sand & Gravel Association
Portland Cement Association

April 23, 1982

Ronald Reagan
The White House
1600 Pennsylvania Ave.
Washington, DC 20500

Dear Mr. President:

Recent proposals to reduce the federal deficit by levying fees on imported oil and/or levying excise taxes on gasoline would be contrary to the previously stated goals of your Administration.

It is essential that we maintain America's highway transportation network at a higher level than has been possible under current funding capabilities. Imposition of import fees and/or excise taxes for general fund deficit reduction would preclude any possibility of increasing user fees in support of Federal highway programs, as proposed by DOT Secretary Drew Lewis.

As representatives of material and service suppliers to federal and state highway programs, we see these proposals as...

- inflationary to the national economy,
- leading to windfall profits for domestic petroleum producers,
- weakening our balance of trade,
- a further intrusion in the free market system, and
- an additional burden to the American taxpayer.

We strongly urge that both the import fee and excise tax proposals be rejected.

American Concrete Pavement Association
American Concrete Pipe Association
American Subcontractors Association
Associated Equipment Distributors
National Asphalt Pavement Association
National Crushed Stone Association
National Limestone Institute
Portland Cement Association

POTTERS INDUSTRIES INC.

May 3, 1982

The Honorable Steven D. Symms
Chairman
Subcommittee on Transportation
Senate Environment and Public
Works Committee
4204 Dirksen Senate Office
Building
Washington, D.C. 20510

REFERENCE: S.2315 - Federal-Aid
Highway Act of 1982

Dear Senator Symms,

Enclosed for the record are our comments and suggestions on S.2315. As the time constraint of one day of Hearings severely limited the number of witnesses able to testify in person, we appreciate this opportunity to submit our views for your deliberations.

Yours sincerely,

POTTERS INDUSTRIES INC.

N. D. Nedas

Nicholas D. Nedas
Director of Corporate Development

Corporate Headquarters: 377 Route 17, Hasbrouck Heights, New Jersey 07604, U.S.A., Tel. 201-288-4700, Telex No. 13

STATEMENT OF
NICHOLAS D. NEDAS

DIRECTOR OF BUSINESS DEVELOPMENT
POTTERS INDUSTRIES INC.

SUBMITTED TO THE
SUBCOMMITTEE ON TRANSPORTATION
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
U. S. SENATE

APRIL 21, 1982

Mr. Chairman, we welcome this opportunity to submit the views of Potters Industries on the direction of National highway safety policy at this time, as your Subcommittee is considering the proposed Federal-Aid Highway Act of 1982 (S.2315).

When this bill was introduced in the Senate on March 31st, you expressed, Mr. Chairman, your serious concern about the inadequate levels of funding for the highway program over the past several years. You stated your belief that an increase in highway user fees is essential to the proper maintenance of our transportation infrastructure, and you noted that because of this fiscal problem, S.2315 continues the past shift of priorities towards maintenance of prior capital investments in our national highway system.

We share the concerns that you expressed, and support increased user fees and the emphasis in the bill towards highway maintenance. In addition, we would like to endorse the Subcommittee's retention of a Federal emphasis on various aspects of rural roads. However, we would like to address the bulk of our comments to the highway safety provisions of the proposed legislation, which are itemized in Section 113.

The proposed Section 151 of S.2315, in essence, extends Section 152 of U. S. Code Title 23 to include programs off-system, as well as on-system. In addition, it mandates that 35% of the funds authorized be apportioned for rail-highway crossing improvements, unless the Secretary waives this minimum. The funding levels are set, however, as they were before these two changes were incorporated. While we believe these to be worthwhile, and strongly support the inclusion of off-system roads for all safety programs, this stretching of current program funds will almost negate their effectiveness by establishing a severely underfunded, if not bankrupt program.

Because the authorized funds are available for expenditure on any public road other than the Interstate System, and because the safety problem is most severe on rural roads, we believe that it would better fulfill the intent of the Senate to apportion the authorized funds on the same basis as the Federal-aid primary and secondary funds (Section 104 (b)(1) and (2)) than would the apportionment formula called for in S.2315 Section 151 (e).

Mr. Chairman, you noted in your remarks on the Senate floor on March 31st that this legislation would consolidate many of the small highway safety programs into a single highway safety improvement program. Furthermore, this would enable the States to have greater flexibility in setting their priorities, since in most cases the States have the capability to develop projects with the utmost regard for safety. You pointed out that times have changed, and arguments that States lack the expertise and sensitivity needed to do the job are now obsolete. The proposed Section 151 (b) of S.2315 recognizes this, and we endorse such an approach.

Last July we published an historical analysis of the results of the Federal highway safety programs in our report "Highway Safety 1981." (Appendix A)[1] That analysis showed that the Federal interventions into the national highway safety situation in 1966 and 1973 had been effective. It notes that by 1972, 9,300 lives per year were being saved as a direct result of the original Highway Safety Act of 1966. Through 1978, it has been shown that the Highway Safety Act of 1973 resulted in a saving of 14,900 lives and 111,600 severe injuries. Through 1978, the benefit-cost ration achieved, based on a conservative estimate of tangible economic saving of $3.50 for every $1.00 of funds expended.

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[1] Retained in committee files.

While the national picture is encouraging, an analysis of the performance of individual states and of groups of similar states shows a mixed picture. While some states have shown remarkable progress in highway safety performance, there are other states where little or no progress has been made.

The state group analysis in "Highway Safety 1981" was based on data on the road safety performance in five groups of states. (Table I). These five groups were originally created by identifying states with broadly similar physical and demographic characteristics, in order to analyze the accident results on the different road systems within those states. We designated the groups as Sparsely Populated Mountainous & Badland states, Large Industrial and Rural states, Southern states, Mainly Agricultural states, and Small Coastal states. As fatal accident rate performance was examined within each group for urban roads, rural primary roads and rural secondary roads, it was seen that there were considerable differences in performance from group to group. The U.S. total average fatal accident rate is shown on each graph as a basis for comparison.

An updated examination of this same data is impossible due to a change in the federal accident reporting system in 1976. However, a similar analysis through 1979 for each group, comparing urban roads, rural Interstates and rural non-Interstate highways shows the same patterns (Table II). Again, the U.S. total fatal accident rate is shown on each graph for comparative purposes.

Examination, by road system, of the performance of the states within each group also demonstrates considerable variations (Appendix B). Since the programs of the Highway Safety Act of 1973 became operative, some of the states in each group have shown considerably greater improvements in their safety performance on rural non-Interstate highways than other states in the same group (Table III). For example, among the Large Industrial & Rural states, Pennsylvania and New York can be categorized as "best states" for the period from 1975 to 1979, whereas California and Indiana declined in safety performance on rural non-Interstate roads in the same period. Similarly, among the Southern states, North Carolina has shown considerable improvement, whereas neither Louisiana nor Georgia made significant progress between 1975 and 1979.

It is unarguable that any highway safety program must seek, as one of its objectives, the attainment of improved safety performance on a cost-effective basis. Our analysis suggests, Mr. Chairman, that the regular availability of appropriate data about differences in the performance of states within a group would serve as a unique method of establishing safety performance goals for the states. It would enable the States and the Secretary of Transportation to fulfill the requirements of the proposed Section 151 (h), to achieve the intent of the Senate as stated in the proposed Section 151 (b), and it would provide the states with highly significant comparative and analytical data for the management of the whole of their highway safety programs. Where appropriate, this concept could enable states to concentrate their resources on the important area of providing roads with those necessary minimum levels of uniform positive guidance, which are the essential elements of information required by road users for safe operations. This Committee's programs have demonstrated the important benefits that these aspects of the roadway have on the behavior of drivers and the safety of travel.

With the availability of such data and the establishment of performance goals, states would be able to confer with each other, or with the Department of Transportation, to find out why a particular road system in a particular state is the safest within its group, and also to find out why a particular road system in a particular state might be the most dangerous. Also of great concern, of course, is how reductions in fatalities and severe injuries have been brought about. The policies and programs of those states which have achieved the greatest declines in, and the lowest levels of fatal accident rates on particular road systems could be highlighted for the benefit of those states which have not been as successful.

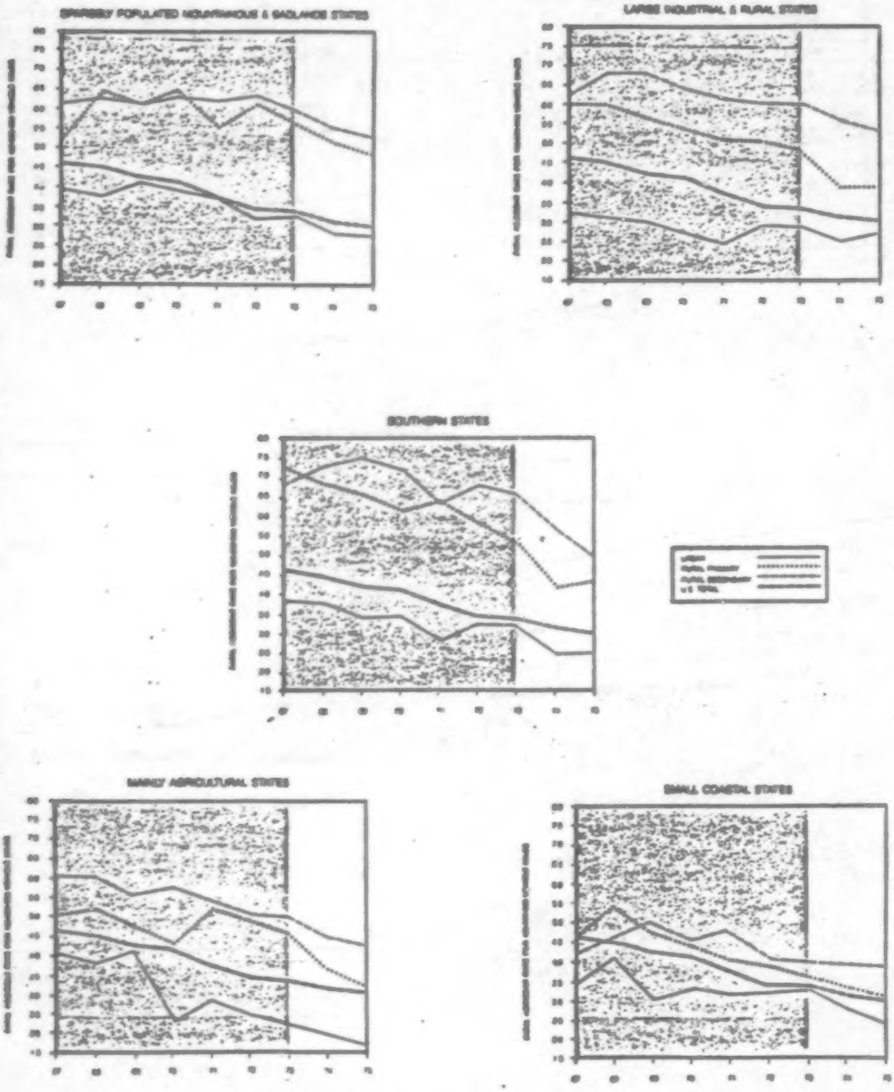
Mr. Chairman, it was in connection with the Highway Safety Act of 1966 that the Congress first brought forward the concept that there should be safety performance goals. It is, however, equally important that performance relative to these targets be measured, evaluated and analyzed with as much precision as possible. Such a procedure would be extremely significant in monitoring the development of road safety improvements through both state and Federal highway safety programs, and in planning cost-effective action. Such analytical and comparative numbers would be the basis for meaningful dialogues on highway safety among the states, among elements of the private sector, between the states and the Federal government, and between the state governments and their jurisdictions. It is also possible that this data capability will lead in other productive directions; for example, it might be important in establishing and implementing programs directed towards the new relationships being found between the safety of the roadway and the improvement in the behavior of alcohol-impaired and fatigue-impaired drivers.

Mr. Chairman, in 1973 this Congress first called for a study into the feasibility of establishing standardized national highway safety data. But while much data has been collected since 1973 and new data bases have been established, these have not been in a form that is suitable for directing the priorities of state highway safety programs. For a long time we have all been looking for much more analytical and quantitative thinking. Many of the questions asked by this Committee in past hearings have revealed that the lack of such data and analysis has been one of your major concerns. With a minimum of redesign the existing accident, casualty and exposure data now available at the Federal and state levels could satisfy the Subcommittee's needs.

If effectively utilized, the recommended program can provide the tools which will ultimately lead to a higher level of highway safety performance.

TABLE I

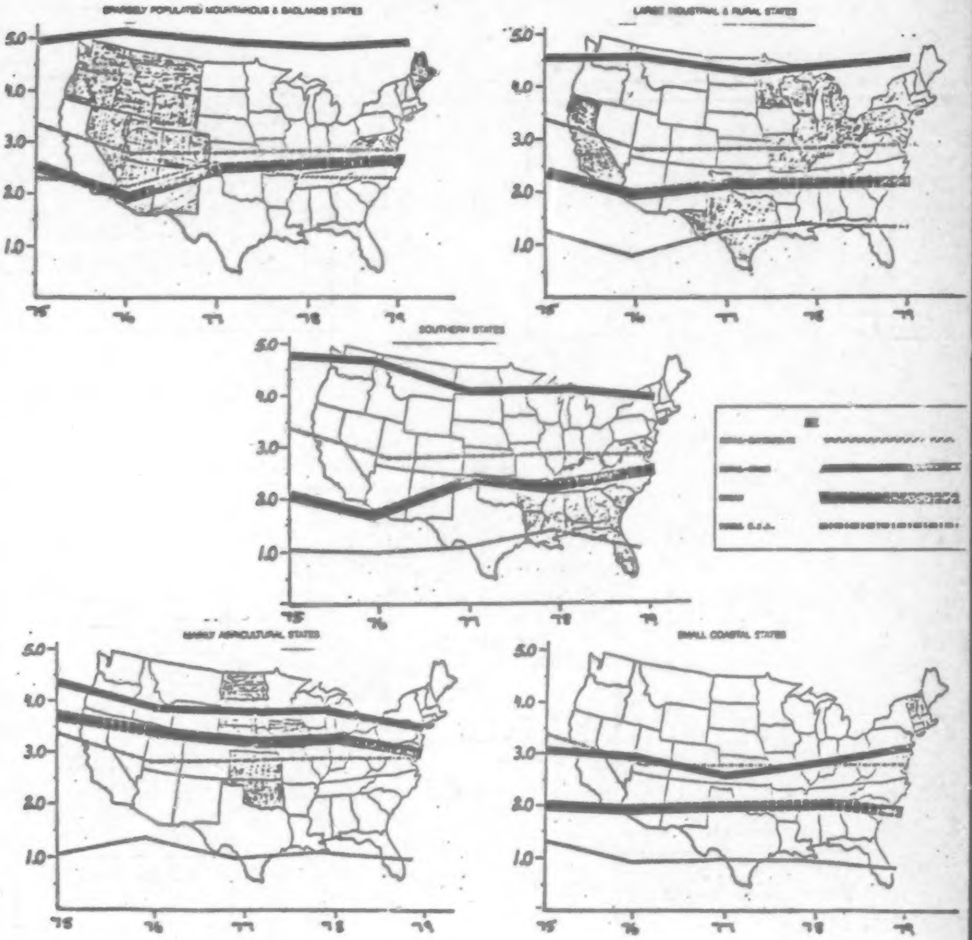
FATAL ACCIDENT RATES BY ROAD SYSTEM
FOR STATE GROUPS - 1967-1975



SOURCE: Potters Industries, Highway Safety 1981

TABLE II

FATAL ACCIDENT RATES BY ROAD SYSTEM
FOR STATE GROUPS - 1975-1979



SOURCE: FHWA, Fatal & Injury Accident Rates
FHWA, Highway Statistics
State Accident Reports

TABLE III

NON-INTERSTATE RURAL HIGHWAYS
ROAD SAFETY PERFORMANCE AS MEASURED BY FATAL ACCIDENT RATE*
-BY GROUP OF STATES IN CONTINENTAL UNITED STATES-
1975-1979

STATE GROUP	ACCIDENT RATE 1979	GROUP CHANGE IN FATAL ACCIDENT RATE 1975-1979	"BEST" STATE		"WORST" STATE	
			LOWEST RATE 1979	GREATEST DECLINE 1975-1979	HIGHEST RATE 1979	GREATEST INCREASE 1975-1979
Large Industrial & Rural States	4.59	+0.04	Pennsylvania 3.65	New York -1.24	Calif. 5.72	Indiana +1.25
Small Coastal States	3.24	+0.09	Rhode Island 1.86	Rhode Island -1.06	Vermont 4.52	Mass. +0.60
Southern States	4.15	-0.58	North Carolina 2.52	North Carolina -2.60	Louisiana 5.72	Georgia +1.29
Mainly Agricultural States	3.62	-0.69	North Dakota 2.81	Nebraska -1.12	Iowa 4.01	South Dakota -0.39**
Mountainous & Badland States	4.99	+0.09	Utah 3.34	Wyoming -1.32	New Mexico 6.88	Idaho 1.13

*Rate per 100 million vehicle miles

**Smallest decline

Source: FHWA, Fatal & Injury Accident Rates
FHWA, Highway Statistics
State Accident Reports

APPENDIX B

State Fatal Accident Rates by Road System, 1975-1979

FATAL ACCIDENT RATES BY STATE GROUP - 1975-1979

	1975	1976	1977	1978	1979
Large Industrial & Rural States					
Urban	2.32	2.07	2.22	2.20	2.24
Rural-Interstate	1.28	0.85	1.31	1.49	1.41
Rural-Other	4.55	4.60	4.42	4.46	4.59
Small Coastal States					
Urban	2.12	1.98	2.01	2.08	2.17
Rural-Interstate	1.32	0.97	1.10	1.12	0.93
Rural-Other	3.15	3.03	2.65	2.91	3.24
Mainly Agricultural States					
Urban	3.73	3.50	3.32	3.35	3.13
Rural-Interstate	1.17	1.41	1.04	1.23	1.01
Rural-Other	4.31	3.97	3.84	3.85	3.62
Southern States					
Urban	2.13	1.75	2.41	2.34	2.62
Rural-Interstate	1.17	1.06	1.35	1.46	1.34
Rural-Other	4.73	4.75	4.24	4.23	4.15
Mountainous & Badland States					
Urban	2.47	2.14	2.68	2.71	2.80
Rural-Interstate	2.33	2.23	2.73	2.43	2.41
Rural-Other	4.90	5.18	5.10	4.97	4.99
U.S. TOTAL	3.01	2.88	2.92	2.92	2.97

April 26,

NON-INTERSTATE RURAL FATAL ACCIDENT RATES*
1975-1979

	1975	1976	1977	1978	1979	Change 1975-1979
Rural & Large Industrial						
California	4.73	4.61	5.29	5.30	5.72	0.99
Illinois	5.26	4.93	4.66	4.81	4.38	(0.88)
Indiana	4.01	4.88	4.70	4.59	5.26	1.25
Michigan	4.72	4.79	5.15	5.27	4.38	(0.34)
Minnesota	4.31	3.84	3.54	4.07	3.74	(0.57)
Missouri	4.66	5.44	5.03	5.19	4.93	0.27
New York	5.98	6.66	3.74	3.82	4.74	(1.24)
Ohio	3.40	3.44	3.80	3.61	3.80	0.40
Pennsylvania	3.51	3.85	3.47	3.50	3.65	0.14
Texas	4.98	4.38	4.71	4.75	4.90	(0.08)
Wisconsin	4.64	4.45	4.24	4.01	4.36	(0.28)
Group Total	4.55	4.60	4.42	4.46	4.59	0.04
Small Coastal						
Connecticut	3.94	3.26	3.34	3.33	3.67	(0.27)
Delaware	4.00	4.96	3.53	3.64	3.05	(0.95)
Hawaii	4.97	5.05	4.28	6.04	5.96	0.99
Maryland	3.21	3.03	2.73	3.31	2.99	(0.22)
Massachusetts	3.54	2.96	2.96	4.32	4.14	0.60
New Jersey	2.18	2.03	1.53	1.35	2.15	(0.03)
Rhode Island	2.92	2.24	2.54	1.51	1.86	(1.06)
New Hampshire	3.02	3.42	3.12	2.95	3.03	0.01
Vermont	4.10	3.81	3.44	2.89	4.52	0.42
Group Total	3.15	3.03	2.65	2.91	3.24	0.09
Mainly Agricultural						
Iowa	4.42	4.04	3.73	3.80	4.01	(0.41)
Kansas	3.94	3.72	3.79	4.10	3.28	(0.66)
Nebraska	4.50	3.74	3.37	3.15	3.38	(1.12)
North Dakota	3.80	4.03	3.83	3.67	2.81	(0.99)
Oklahoma	4.60	4.11	4.23	4.12	3.81	(0.79)
South Dakota	4.26	4.29	3.86	3.93	3.87	(0.39)
Group Total	4.31	3.97	3.84	3.85	3.62	(0.69)
Southern States						
Arkansas	4.67	3.43	4.31	4.17	3.68	(0.99)
Alabama	4.64	5.27	4.78	4.89	4.14	(0.50)
Florida	5.04	5.63	3.79	3.78	3.55	(1.49)
Georgia	4.03	4.14	4.21	4.79	5.32	1.29
Kentucky	4.40	3.88	4.25	4.42	4.32	(0.08)
Louisiana	5.77	5.22	4.93	5.46	5.72	(0.05)
Mississippi	5.04	4.99	4.88	5.31	4.47	(0.57)

	1975	1976	1977	1978	1979	Change 1975-1979
North Carolina	5.22	5.25	2.93	2.71	2.52	(2.60)
South Carolina	4.73	5.06	5.36	4.45	4.15	(0.58)
Tennessee	5.10	5.04	4.78	3.98	4.78	(0.32)
Virginia	3.65	4.00	3.86	4.00	3.99	0.34
Group Total	4.73	4.75	4.24	4.23	4.15	(0.58)
Mountainous & Badland						
Alaska	5.24	4.50	4.72	4.85	3.80	(1.44)
Arizona	5.60	4.86	5.58	6.74	5.73	0.13
Colorado	4.91	5.30	5.68	4.69	4.67	(0.24)
Idaho	4.72	5.44	6.20	6.17	5.85	1.13
Maine	3.55	3.04	2.92	3.22	3.38	(0.17)
Montana	5.57	5.45	4.58	4.03	5.11	0.46
Nevada	6.14	6.17	5.69	6.08	6.28	0.14
New Mexico	7.39	6.23	6.92	6.81	6.88	(0.51)
Oregon	3.77	3.67	4.19	4.43	4.51	0.74
Utah	4.92	4.79	4.71	3.72	3.34	(0.58)
Washington	3.97	6.97	4.82	4.88	5.07	1.10
West Virginia	5.32	5.53	5.63	4.58	5.01	(0.31)
Wyoming	6.49	6.48	5.57	5.55	5.17	(1.32)
Group Total	4.90	5.16	5.10	4.97	4.99	0.09

*Rates per 100 million vehicle miles

Source: FHWA, Fatal & Injury Accident Rates
FHWA, Highway Statistics
State Accident Reports

STATEMENT OF
THE RAILWAY PROGRESS INSTITUTE
ON THE
FEDERAL AID HIGHWAY ACT OF 1982
(S. 2315)
BEFORE THE TRANSPORTATION SUBCOMMITTEE
OF
THE SENATE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

April 29, 1982

* *

The Railway Progress Institute appreciates this opportunity to present its views on S. 2315, the Federal Aid Highway Act of 1982.

The Railway Progress Institute (RPI) is the national association of the railroad and rail rapid transit equipment and supply industry. We represent approximately 150 of the country's leading industrial concerns which provide railroads and transit authorities with locomotives, cars, component parts, tracks, cross ties, signals, and grade crossing equipment, just about everything that goes into making a railroad or rail rapid transit system.

The Railway Progress Institute urges the retention of a single category to authorize funds for rail-highway crossing improvements and strongly opposes the lack of such a category in S. 2315.

This bill abrogates the initiative taken by the Congress through the Highway Safety Act of 1973, pursuant to a report from the Department of Transportation in 1972, which called for an installation program of active warning devices at 30,000 crossings. To date, approximately 14,000 crossings have been equipped with active warning devices as a direct result of categorical funding.

Having achieved a little less than one half of this goal, the crossing program's statistical success is dramatic. Fatalities from accidents involving motor vehicles at public, rail-highway grade crossings reached their peak in 1967 at 1,520. In 1973, the first year categorical funds became available, there were 1,077 fatalities at grade crossings. In 1980 a total of 708 fatalities occurred, a 53 percent reduction from the 1967 level and a 34 percent reduction since the inception of the categorical funding program.

A preliminary figure for 1981 indicates 623 fatalities occurred at crossings, an additional 12 percent reduction in deaths in just one year.

These statistics have made the grade crossing safety program the most successful highway safety program in spite of a 42 percent exposure increase. (The exposure index is a function of train miles multiplied by vehicle miles.)

When looking at the hard results and the identifiable benefits eminating from this program, we must disagree with its termination or substantial reduction. We make this assertion based on information we have gathered in two projects undertaken by the RPI Grade Crossing Safety Subcommittee.

Soon after the enactment of the Highway Safety Act of 1973, much confusion was generated in states in their effort to develop a crossing inventory in order to systematically approach the planning and prioritizing of those projects in need of greater crossing protection. The RPI formed a task force composed of the most knowledgeable crossing warning system experts in the field to develop a workshop on the generic, non-commercial technology application of various crossing warning systems and to provide information on the mechanics and organization of the more active and successful state programs. To date, there have been 38 such workshops involving 47 states and Canada and thousands of state, federal, and railroad personnel.

Subsequently, RPI undertook a series of "state visits" to determine what barriers were confronting the states in implementing an effective grade crossing program and to determine what assistance the industry or RPI staff might render in reducing these barriers.

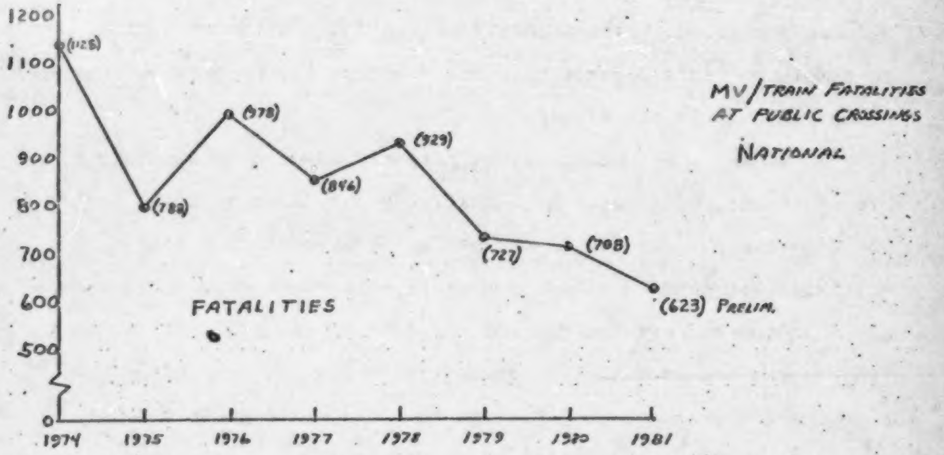
When we testified before this Committee last year, we reported to you on the fiscal year program each state had planned for 1981. Currently, we are recontacting these state officals and will report to you at a later hearing on the crossing improvement projects planned on a state-by-state basis in 1982.

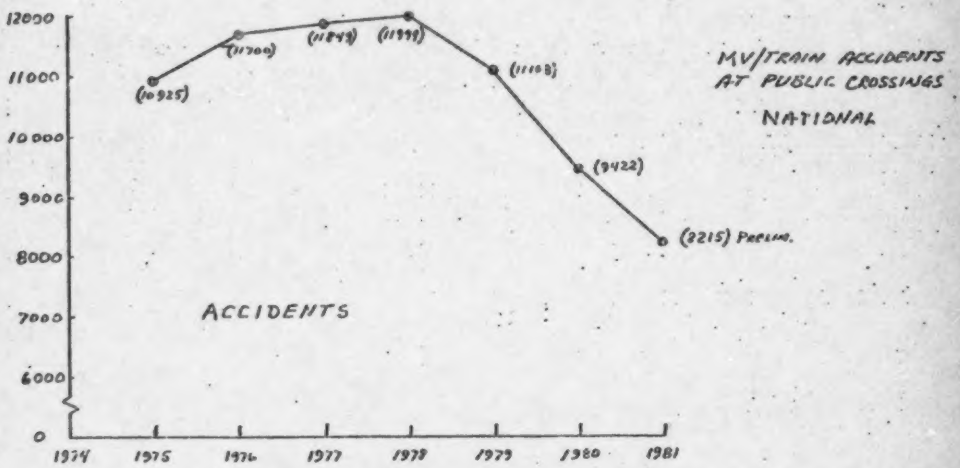
However, we have attached to this statement a graphic illustration of fatalities, accidents, and injuries at public grade crossings on a national basis and state basis. These graphs start with the inception of the categorical program in 1974 and cover each year up to the prelminary figures for 1981. We are sure you will agree the results are remarkable. On the national graphs, the start-up process of the program is evident by the continued upward trend in fatalities, accidents and injuries from 1976 to 1978. As the program began to hit stride in 1978, the downward trends are well identified. These same trends can be seen in the state-by-state graphs, which are also attached, of Idaho, New York, North Dakota, South Dakota, and West Virginia. To gut the program now, which is in fact what S. 2315 would do, will place these graph points in the near future at the 1974 to 1978 levels.

Mr. Chairman, RPI is well aware that we are confronted with a period of high budgetary deficits and limited funds for federal programs. Frankly, it has become a question of getting the best bang for the buck, and on that point we agree. Yet, from the statistics we have cited and graphed, one can see the millions of dollars invested by Congress over the last nine years have returned outstanding results. The program has done what it was supposed to do--reduce the needless death and injury at grade crossings. Why stop when the program is just half way to its goal.

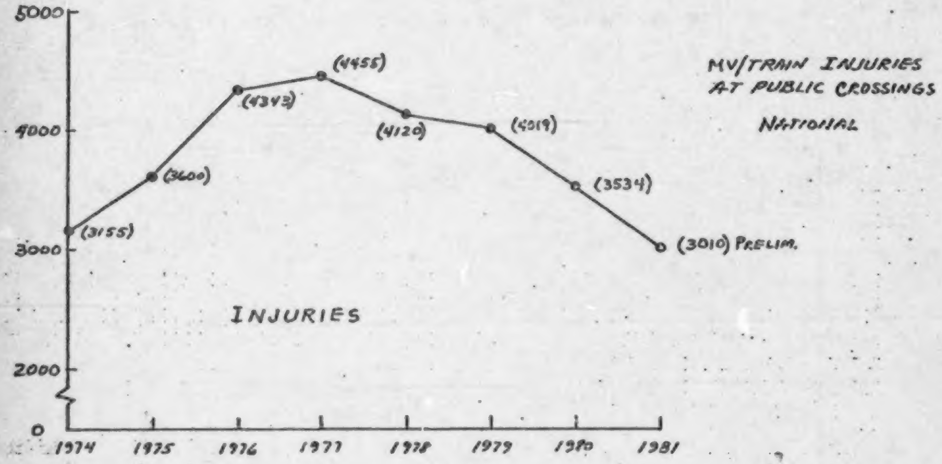
Some might argue, however, that the point of diminishing returns has been reached. How many additional lives can be saved, and how much do those lives cost to save? Certainly these are legitimate questions on the surface; but, when one considers the increasing amount of harzardous material moved by both rail and tank truck and the increasing exposure factors, especially increasing train mileage, the potential for an unprecedented tragedy at an unprotected grade crossing becomes totally unacceptable. The question then becomes how much are you willing to spend on a program of proven success to avert a potential disaster. The 35 percent set aside in the Safety Construction Program of S. 2315 is simply not sufficient funding to continue the progress of the grade crossing safety program.

In summary, Mr. Chairman, we strongly advocate a single rail-highway crossing category with multiple-year funding at the level the Congress established in the Surface Transportation Act of 1978. Multiple-year funding allows the state, the railroads, and the supply industry to meet the continuing needs of the program. We know the program has worked. The statistics speak for themselves. We hope the Congress will not give up the achievable goal it sought to meet in 1973 by abandoning this program.





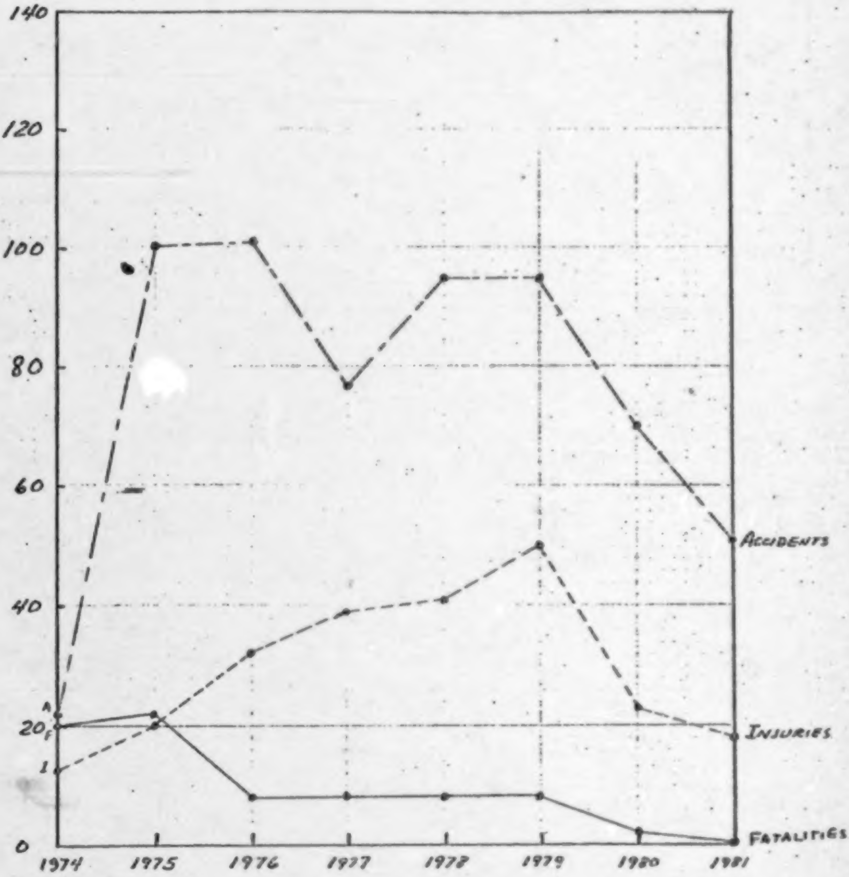
SOURCE: FRA Rail-Highway Grade Crossing Accident/Incident and Inventory Bulletins.



SOURCE: FRA Rail-Highway Grade Crossing Accident/Incident and Inventory Bulletins.

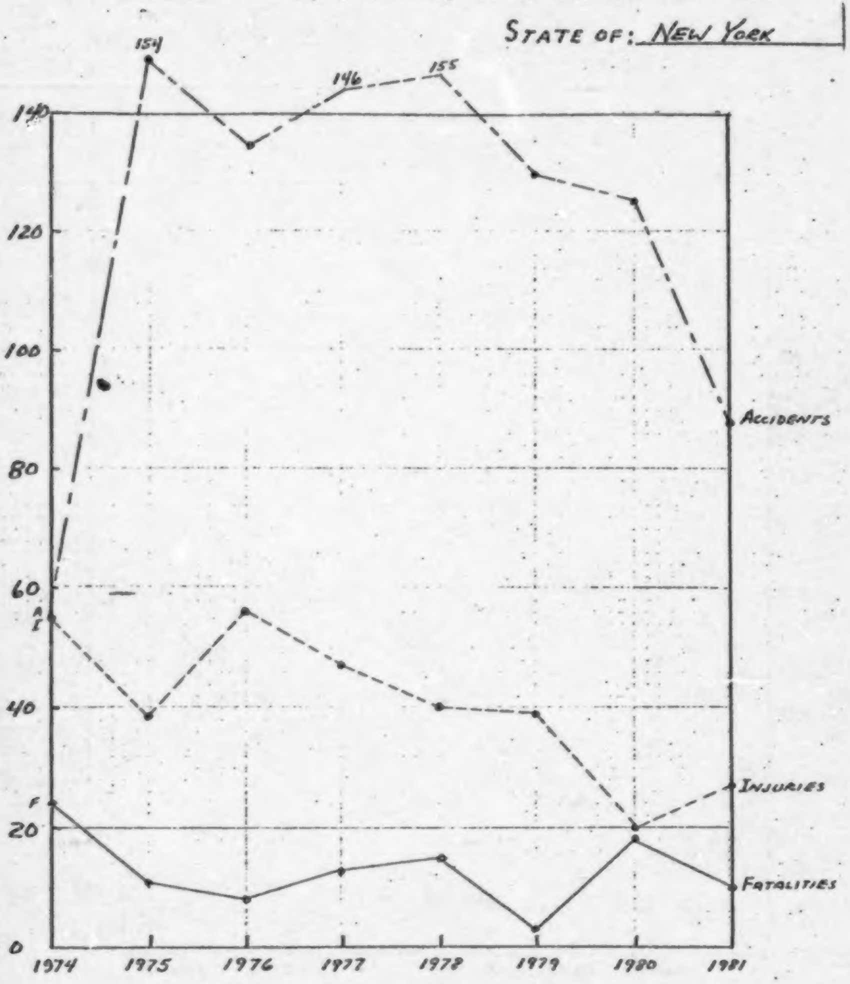
Motor Vehicle/Train Casualties at Public Crossings

State of: Idaho



Source: FRA Rail-Highway Grade Crossing Accident/Incident & Inventory Bulletins

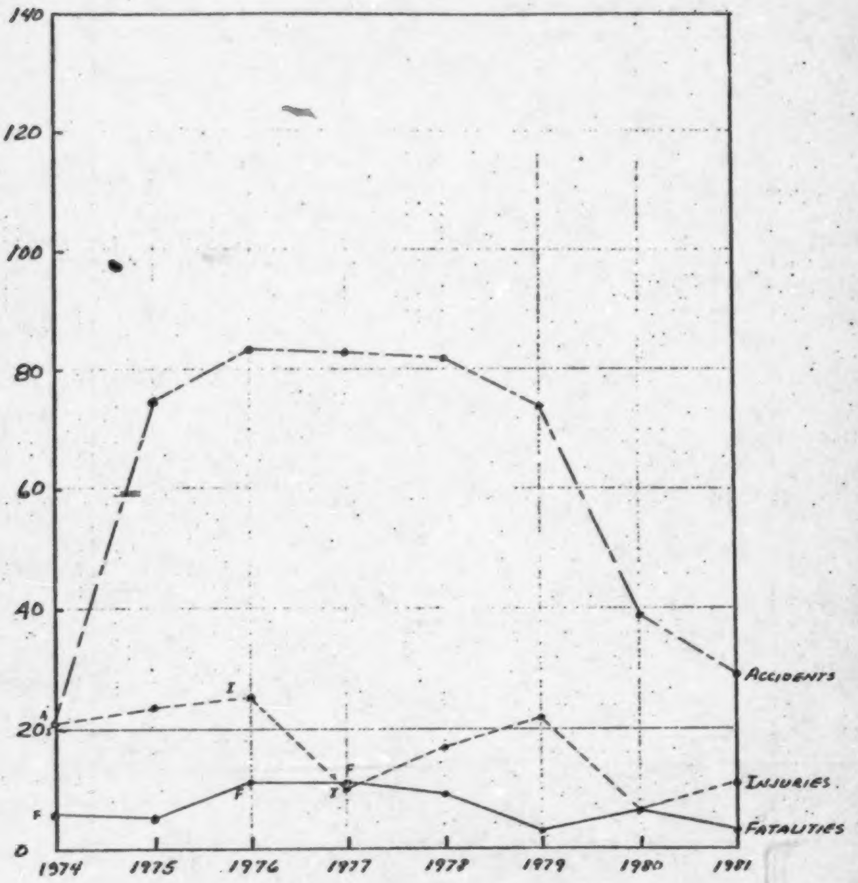
MOTOR VEHICLE/TRAIN CASUALTIES AT PUBLIC CROSSINGS



SOURCE: FRA RAIL-HIGHWAY GRADE CROSSING ACCIDENT/INCIDENT & INVENTORY BULLETINS

MOTOR VEHICLE/TRAIN CASUALTIES AT PUBLIC CROSSINGS

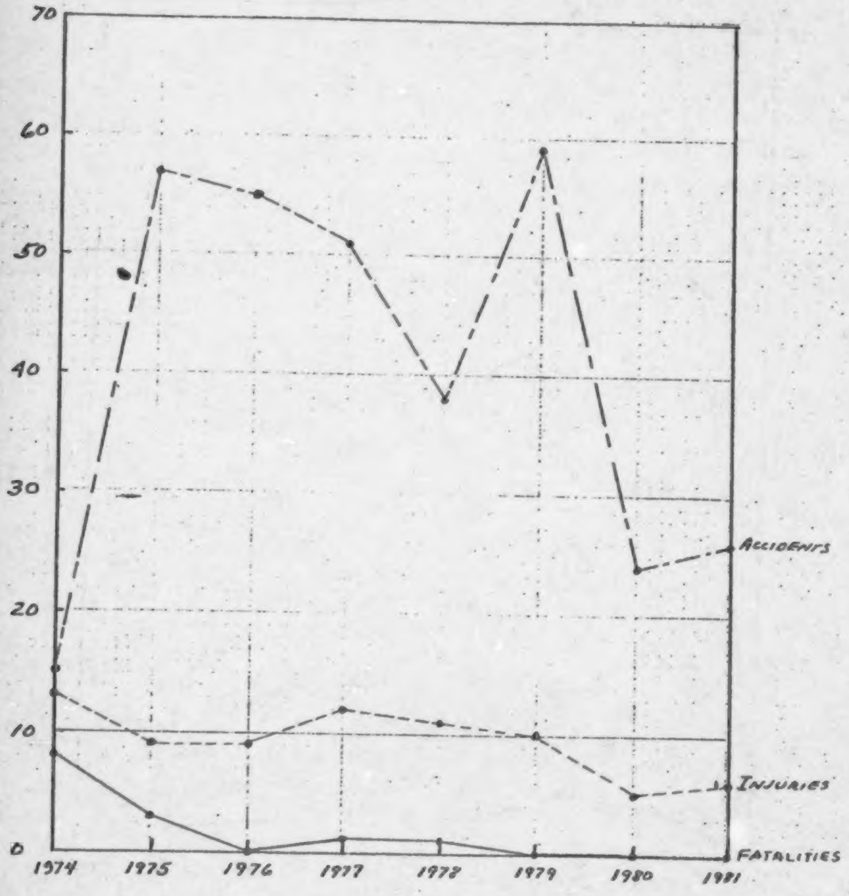
STATE OF: N. DAKOTA



SOURCE: FRA RAIL-HIGHWAY GRADE CROSSING ACCIDENT/INCIDENT & INVENTORY BULLETINS

MOTOR VEHICLE/TRAIN CASUALTIES AT PUBLIC CROSSINGS

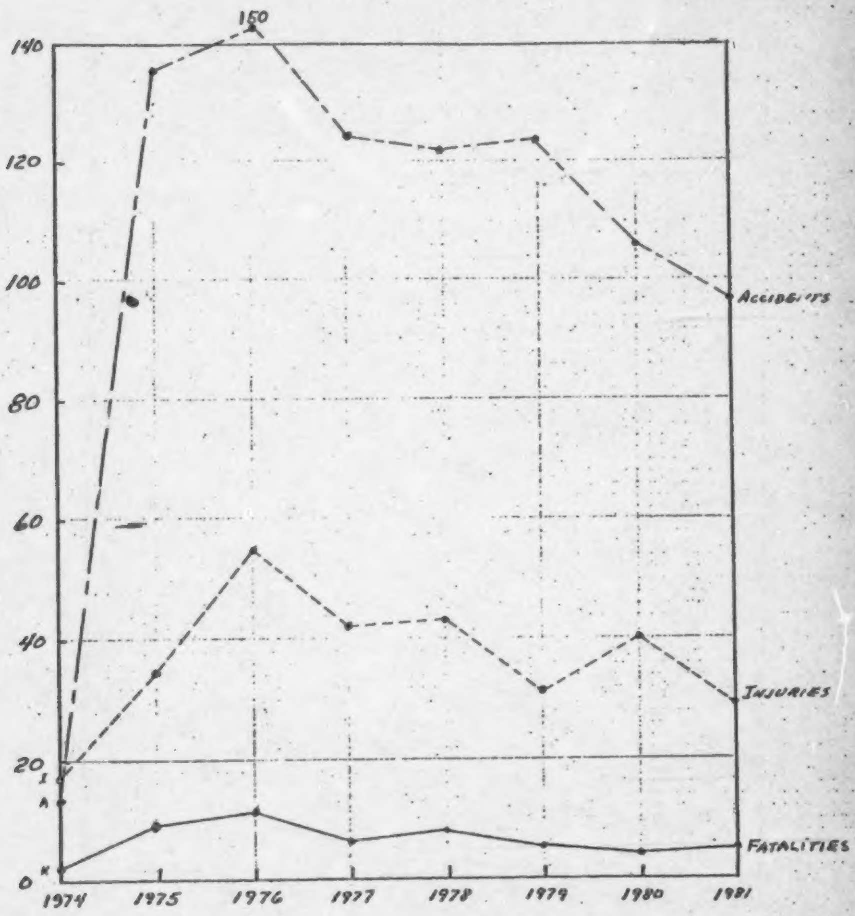
STATE OF: SOUTH DAKOTA



SOURCE: FRA RAIL-HIGHWAY GRADE CROSSING ACCIDENT/INCIDENT & INVENTORY BULLETINS

MOTOR VEHICLE/TRAIN CASUALTIES AT PUBLIC CROSSINGS

STATE OF: WEST VIRGINIA



SOURCE: FRA RAIL-HIGHWAY GRADE CROSSING ACCIDENT/INCIDENT & INVENTORY BULLETINS

97TH CONGRESS
2D SESSION

S. 2315

To authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 31 (legislative day, FEBRUARY 22), 1982

Mr. SYMMS (for himself, Mr. STAFFORD, Mr. RANDOLPH, Mr. BENTSEN, Mr. ABDNOR, and Mr. BURDICK) introduced the following bill; which was read twice and referred jointly by unanimous consent to the Committees on Environment and Public Works and Finance provided that the Committee on Environment and Public Works consider only title I and the Committee on Finance consider only title II

A BILL

To authorize appropriations for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal-Aid Highway Act of 1982".

TITLE I

FEDERAL-AID HIGHWAY AMENDMENTS OF 1982

SEC. 101. This title may be cited as the "Federal-Aid Highway Amendments of 1982".

REVISION OF AUTHORIZATION FOR APPROPRIATIONS FOR THE INTERSTATE SYSTEM

SEC. 102. (a) Subsection (b) of section 108 of the Federal-Aid Highway Act of 1956, as amended, is amended by striking out "the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1984", and all that follows through the period at the end of the sentence and by inserting in lieu thereof the following: "the additional sum of $3,300,000,000 for the fiscal year ending September 30, 1984, the additional sum of $3,400,000,000 for the fiscal year ending September 30, 1985, the additional sum of $3,400,000,000 for the fiscal year ending September 30, 1986, the additional sum of $3,500,000,000 for the fiscal year ending September 30, 1987, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1988, the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1989, and the additional sum of $3,625,000,000 for the fiscal year ending September 30, 1990.".

AUTHORIZATION OF USE OF COST ESTIMATES APPORTIONMENT OF INTERSTATE FUNDS

SEC. 103. The Secretary of Transportation shall apportion for the fiscal year ending September 30, 1984, the sums authorized to be appropriated for such period by section 108(b) of the Federal-Aid Highway Act of 1956, as amended, for expenditures on the National System of Interstate and Defense Highways, using the appropriated factors contained in table 5 of Committee Print Numbered of the Committee on Public Works and Transportation of the House of Representatives.

HIGHWAY AUTHORIZATIONS

SEC. 104. (a) For the purpose of carrying out the following provisions of title 23, United States Code, the following sums are authorized to be appropriated out of the Highway Trust Fund:

(1) For the Federal-aid primary program, $1,500,000,000 for the fiscal year ending September 30, 1983, $1,600,000,000 for the fiscal year ending September 30, 1984, $1,600,000,000 for the fiscal year ending September 30, 1985, and $1,600,000,000 for the fiscal year ending September 30, 1986.

(2) For the Federal-aid rural program, $500,000,000 for the fiscal year ending September 30, 1983, $500,000,000 for the fiscal year ending September 30, 1984, $500,000,000 for the fiscal year ending September 30, 1985, and $400,000,000 for the fiscal year ending September 30, 1986.

(3) For the Federal-aid urban program, $700,000,000 for the fiscal year ending September 30, 1983, $700,000,000 for the fiscal year ending Septem-

ber 30, 1984, $700,000,000 for the fiscal year ending September 30, 1985, and $600,000,000 for the fiscal year ending September 30, 1986.

(4) For forest highways, $34,000,000 for the fiscal year ending September 30, 1983, $34,000,000 for the fiscal year ending September 30, 1984, $34,000,000 for the fiscal year ending September 30, 1985, and $34,000,000 for the fiscal year ending September 30, 1986.

(5) For public lands highways, $16,000,000 for the fiscal year ending September 30, 1983, $16,000,000 for the fiscal year ending September 30, 1984, $16,000,000 for the fiscal year ending September 30, 1985, and $16,000,000 for the fiscal year ending September 30, 1986.

(6) For bridge replacement and rehabilitation under section 144 of title 23, United States Code, $1,000,000,000 for the fiscal year ending September 30, 1983, $1,300,000,000 for the fiscal year ending September 30, 1984, $1,300,000,000 for the fiscal year ending September 30, 1985, and $1,300,000,000 for the fiscal year ending September 30, 1986.

(7) For the highway safety improvement program, $100,000,000 for the fiscal year ending September 30, 1983, $150,000,000 for the fiscal year ending Septem-

ber 30, 1984, $150,000,000 for the fiscal year ending September 30, 1985, and $150,000,000 for the fiscal year ending September 30, 1986.

(b)(1) For each of the fiscal years 1984, 1985, 1986, and 1987, no State, including the State of Alaska, shall receive less than one-half of 1 per centum of the total apportionment for the Interstate System under section 104(b)(5)(A) of title 23, United States Code. Whenever amounts made available under this subsection for the Interstate System in any State exceed the estimated cost of completing that State's portion of the Interstate System, and exceed the estimated cost of necessary resurfacing, restoration, rehabilitation, and reconstruction of the Interstate System within such State, the excess amount shall be eligible for expenditure for those purposes for which funds apportioned under paragraphs (1), (2), and (6) of such section 104(b) may be expended.

(2) Subsection (g) of section 144 of title 23, United States Code, is amended as follows:

"(g) Of the amount authorized per fiscal year, for each of the fiscal years ending September 30, 1983, September 30, 1984, September 30, 1985, and September 30, 1986, all but $200,000,000 for fiscal years 1983, 1984, 1985, and 1986 shall be apportioned as provided in subsection (e) of this section; $200,000,000 for fiscal years 1983, 1984, 1985, and 1986 of the amount authorized shall be available for obligation on the date of each such apportionment in the same manner and to the same extent as the sums apportioned on such date except that the obligation of such sums shall be at the discretion of the Secretary and shall be only for projects for those highway bridges the replacement and rehabilitation cost of each of which is more than $10,000,000 and for any project for a highway bridge replacement or rehabilitation cost of which is less than $10,000,000 if such cost is at least twice the amount apportioned to the State in which such bridge is located under subsection (e) of this section for the fiscal year in which application is made for a grant for such bridge. Not less than 15 per centum of the amount apportioned to each State in a fiscal year shall be expended for projects to replace or rehabilitate bridges located on public roads other than those on public roads functionally classified as arterials or major collectors. The Secretary after consultation with State and local officials may, with respect to a State, reduce the requirement for expenditure for bridges not on public roads functionally classified as arterials or major collectors when he determines that such State has inadequate needs to justify such expenditure.".

DISCRETIONARY BRIDGE CRITERIA

SEC. 105. The Secretary of Transportation shall develop a selection process for discretionary bridges authorized to be funded under section 144(g) of title 23, United States

Code, and shall propose and issue a final regulation no later than six months after the date of enactment of this Act, including a formula resulting in a rating factor based on the following criteria for such process. Such criteria shall give funding priority to those discretionary bridges already eligible under section 144(g) of title 23, United States Code. Eligible bridges after the issuance of a final regulation shall only include those with a rating factor of one hundred or less, based on a scale of zero to infinity. The criteria for such additional bridges which the Secretary shall consider are:

(1) sufficiency rating computed as illustrated in appendix A of the Recording and Coding Guide for the Structure Inventory and Appraisal of the Nation's Bridges, USDOT/FHWA (latest edition);

(2) average daily traffic using the most current value from the national bridge inventory data;

(3) average daily truck traffic;

(4) defense highway system status;

(5) the State's unobligated balance of funds received under section 144 of title 23, United States Code, and the total funds received under section 144 of title 23, United States Code;

(6) total project cost; and

(7) special consideration should be given to bridges closed to all traffic or restricted to loads less

than ten tons. Other unique considerations and the need to administer the program from a balanced national perspective should also be considered.

INTERSTATE SYSTEM RESURFACING APPORTIONMENT

SEC. 106. (a) Section 104(b)(5)(B) of title 23, United States Code, is amended (1) by striking the number "55" and inserting in lieu thereof "60" and (2) by striking the number "45" and inserting in lieu thereof "40".

(b)(1) The Secretary of Transportation shall make a full and complete study regarding the procedures for distributing Federal financial assistance for resurfacing, restoring, rehabilitating, and reconstructing routes on the Interstate System in order to maintain a high level of transportation service. The study shall analyze current conditions and factors including, but not limited to, volume and mix of traffic, weight and size of vehicles, environmental, geographical, and meteorological conditions in various States, and other pertinent factors that can be utilized to determine the most equitable and efficient method of apportioning available Interstate 4R funds to the several States. In conducting the study the Secretary shall consider such criteria as need, national importance, impact on individual State highway programs, structural and operational integrity, and any other relevant criteria, to determine the most equitable method of distribution.

(2) In conducting this study the Secretary shall consult with other agencies of the Federal Government, the States and their political subdivisions, and other interested private organizations, groups, and individuals.

(3) The Secretary shall report to Congress not later than two years after the date of enactment of this section the results of such study together with recommendations for necessary legislation.

INTERSTATE SYSTEM RESURFACING AUTHORIZATION

SEC. 107. Section 105 of the Federal-Aid Highway Act of 1978 is amended to read as follows: "In addition to any funds authorized to be appropriated, there is authorized to be appropriated out of the Highway Trust Fund, not to exceed $175,000,000 per fiscal year for each of the fiscal years ending September 30, 1980, and September 30, 1981, not to exceed $275,000,000 for the fiscal year ending September 30, 1982, not to exceed $800,000,000 for the fiscal year ending September 30, 1983, not to exceed $1,1000,000,000 for the fiscal year ending September 30, 1984, not to exceed $1,600,000,000 for the fiscal year ending September 30, 1985, not to exceed $1,600,000,000 for the fiscal year ending September 30, 1986, and not to exceed $2,100,000,000 for the fiscal year ending September 30, 1987. Such sums shall be obligated for projects for resurfacing, restoring, rehabilitating, and reconstructing routes of the

Interstate System designated under sections 103 and 139(c) of title 23, United States Code (other than those on toll roads not subject to a Secretarial agreement provided for in section 105 of the Federal-Aid Highway Act of 1978), except that where a State certifies to the Secretary that any part of such sums are in excess of the needs of such State for resurfacing, restoring, rehabilitating, and reconstructing the Interstate System and the Secretary accepts such certification, such State may transfer sums apportioned to it under section 104(b)(5)(B) to its apportionment under section 104(b)(1) of title 23, United States Code. Such sums may also be obligated for projects for resurfacing, restoring, rehabilitating and reconstructing a toll road which has been designated as a part of the Interstate System if an agreement satisfactory to the Secretary of Transportation has been reached with the State highway department and any public authority with jurisdiction over such toll road prior to the approval of such project that the toll road will become free to the public upon the collection of tolls sufficient to liquidate the cost of the toll road or any bonds outstanding at the time constituting a valid lien against it, and the cost of maintenance and operation and debt service during the period of toll collections. The agreement referred to in the preceding sentence shall contain a provision requiring that if, for any reason, a toll road receiving Federal assistance under this section does not become free to the public upon collection of sufficient tolls, as specified in the preceding sentence, Federal funds used for projects on such toll road pursuant to this section shall be repaid to the Federal Treasury.".

INTERSTATE SUBSTITUTION AUTHORIZATION

SEC. 108. (a) In addition to any funds authorized to be appropriated out of the general fund, there is authorized to be appropriated, out of the Highway Trust Fund, for substitute highway projects under section 103(e)(4) of title 23, United States Code, $150,000,000 for the fiscal year ending September 30, 1983, $250,000,000 for the fiscal year ending September 30, 1984, $250,000,000 for the fiscal year ending September 30, 1985, and $300,000,000 for the fiscal year ending September 30, 1986. Funds authorized to carry out this section shall be available for obligation in the same manner and to the same extent as if such sums were apportioned under chapter 1 of title 23, United States Code.

(b)(1) The first sentence of section 103(e)(4) of title 23, United States Code is amended by striking "which is within an urbanized area or which passes through and connects urbanized areas within a State and".

(2) The second sentence of Section 103(e)(4) of title 23, United States Code is amended by striking "which will serve the urbanized area and the connecting nonurbanized area corridor from which the interstate route or portion thereof

was withdrawn, which are selected by the responsible local officials of the urbanized area or area to be served, and which are submitted by the Governor of the State in which the withdrawn route was located." and inserting in lieu thereof, "which will serve the area or areas from which the interstate route or portion thereof was withdrawn, which are selected by the responsible local officials of the area or areas to be served, and which are selected by the Governor or the Governors of the State or the States in which the withdrawn route was located if the withdrawn route was not within an urbanized area or did not pass through and connect urbanized areas, and which are submitted by the Governors of the States in which the withdrawn route was located.".

(c)(1) The second sentence of section 103(e)(4) of title 23, United States Code, is amended by inserting in the second sentence after the words "approved by Congress," the words "or up to and including the 1983 interstate cost estimate, whichever is earlier,".

(2) The second sentence of section 103(e)(4) of title 23, United States Code, is amended by striking in the second sentence the phrases "the date of enactment of the Federal-Aid Highway Act of 1976 or" and "whichever is later, and in accordance with the design of the route or portion thereof that is the basis of the latest cost estimate".

(3) The second sentence of section 103(e)(4) of title 23, United States Code, is amended by inserting in the second sentence after the words "approval of each substitute project under this paragraph," the words "or the date of approval of the 1983 interstate cost estimate, whichever is earlier,".

(d) Section 103(e)(4) of title 23, United States Code, is amended by adding at the end of such subsection the following: "Any route or segment thereof added to the Interstate System after March 7, 1978, pursuant to specific legislation will not be eligible for withdrawal and substitution under this subsection.".

(e) The first sentence of section 120(d) of title 23, United States Code, is amended by inserting after the words "traffic control signalization," the following: "including traffic control signalization projects under section 103(e)(4) of this title, notwithstanding the provisions of the fifth sentence of section 103(e)(4),".

FEDERAL-AID PRIMARY PROGRAM

SEC. 109. (a) Section 104(b)(1) of title 23, United States Code, is amended by (1) striking out "and priority primary routes" in the first sentence, and by (2) striking out "(other than the District of Columbia)" in the second sentence.

(b) Section 147 of title 23, United States Code, is repealed.

(c) Effective on October 1, 1982, any unobligated amount authorized under subsection (c) of section 104 of the Federal-Aid Highway Act of 1978 shall be apportioned by the Secretary of Transportation in the same manner as funds apportioned under section 104(b)(1) of title 23, United States Code, for the Federal-aid primary system, and shall thereafter remain available for obligation for the same period as such apportionment.

(d) The analysis of chapter 1 of title 23 is amended by deleting

"147. Priority Primary Routes."

and inserting in lieu thereof

"147. Repealed.".

FEDERAL-AID URBAN PROGRAM

Sec. 110. Section 103 of title 23, United States Code, is amended by deleting subsection (d) and inserting in lieu thereof the following:

"(d) The Secretary may approve Federal-aid urban programs in urban areas which programs shall be selected by the appropriate local officials so as to serve the goals and objectives of the community, with the concurrence of the State highway department, as provided in section 105 of this title. The programs shall facilitate transportation in the urban area and include projects to: reduce congestion and improve the flow of traffic on arterial and collector routes, aid integration of different transportation modes to and from airports and other terminals and business districts, support clean air and energy conservation objectives, make highway capital improvements, improve highway safety, eliminate safety hazards and roadside obstacles, implement transportation systems management activities and serve other national goals and objectives. All public roads in urban areas are eligible except those on the primary system and the Interstate System. The applicable provisions of chapters 1 and 3 of this title, including provisions applicable to Federal-aid systems, shall apply to urban programs, except those provisions determined by the Secretary to be inconsistent with this subsection. The Secretary shall not waive the applicability of the planning requirements of section 134 of this title.".

FEDERAL-AID RURAL PROGRAM

SEC. 111. Section 103 of title 23, United States Code, is amended by deleting subsection (c) and inserting in lieu thereof:

"(c) The Federal-aid rural program shall be selected by the State highway agencies and the appropriate local road officials in cooperation with each other, subject to approval by the Secretary as provided in subsection (f) of this section and section 105 of this title. In making such selections, the needs of agriculture roads, rural mail routes, public school bus routes, local rural roads, airport and water port access roads, and goods movement shall be considered. All public roads, except those on the primary system, the Interstate System, and those in urban areas are eligible. Projects to improve highway safety and nonurbanized public transportation projects, including facilities and technical assistance, are also eligible for assistance under this section. The applicable provisions of chapters 1 and 3 of this title, including provisions applicable to Federal-aid systems, shall apply to rural programs, except those provisions determined by the Secretary to be inconsistent with this subsection.".

TRANSFERABILITY

SEC. 112. Paragraphs (1) and (2) of subsection (d) of section 104 of title 23, United States Code, are amended by striking out "50" each place it appears and inserting in lieu thereof at each such place "100".

HIGHWAY SAFETY IMPROVEMENT PROGRAM

SEC. 113. (a) Section 151 of title 23, United States Code, is amended to read as follows:

"§ 151. Highway safety improvement program

"(a) The Secretary, in cooperation with the States, shall establish a highway safety improvement program for projects on any public road or street in rural or urban areas. Assistance shall be available under this program for highway safety improvement projects, as defined in subsection (a) of section 101 of this title; for railway-highway crossing projects as provided for in section 130 of this title; for the implementation of highway-related safety requirements and guidelines issued by the Secretary under section 402 of this title; and for the development, implementation, and evaluation of the highway safety improvement program required under subsection (b) of this section.

"(b) Each State shall develop and implement on a continuing basis a highway safety improvement program including procedures for the planning, implementation, and evaluation of highway safety improvement projects on all highways, with the specific objective of reducing the number and severity of highway traffic accidents. Each State shall have a process for collecting, maintaining, and analyzing accident, traffic, and highway data; for conducting engineering studies of hazardous locations, sections and elements, for assigning priorities to the various types of hazards identified; for implementing safety improvement projects in accordance with the priorities developed; and for the evaluation of the safety benefits obtained.

"(c) Of the funds authorized to carry out this section each State shall expend 35 per centum of the sums apportioned for projects under section 203 of the Highway Safety Act of 1973 unless the State requests the Secretary to waive this minimum and the Secretary finds other safety projects are of a higher priority.

"(d)(1) Funds authorized to carry out this section shall be available for expenditure for projects on any public road (other than the Interstate System).

"(2) The Federal share payable on any project under this section shall not exceed 90 per centum of the cost thereof except that the Federal share of safety improvement projects for the elimination of hazards of rail-highway crossings shall not exceed that as provided in section 120(d) of this title.

"(3) The unobligated balance of contract authority established prior to enactment of this section for carrying out section 402 by the Federal Highway Administration shall remain available for obligation as provided prior to enactment of this section and shall lapse not later than September 30, 1984.

"(e) Funds authorized to be appropriated to carry out this section shall be apportioned to the States as follows: 60 per centum in the ratio which the population of each State bears to the total population of all States, and 40 per centum in the ratio which the public road mileage in each State bears to the total public road mileage in all States. The annual apportionment for each State shall not be less than one-half of 1 per centum of the total apportionment. Such sums shall be available for obligation in the same manner and to the same extent as if such funds were apportioned under section

104(b)(1), except that the Secretary is authorized to waive such provisions of this title that he deems inconsistent with the purposes of this section.

"(f) In any State wherein the State is without legal authority to construct or maintain a project under this section, such State shall enter into a formal agreement for such construction or maintenance with the appropriate local officials of the county or municipality in which such project is located.

"(g) One-half of 1 per centum of funds authorized for carrying out this section shall be made available to the Secretary of the Interior, who shall exercise the responsibilities assigned to States under subsection (b) of this section in carrying out this section on Indian reservations. Such funds shall be subject to a deduction of not to exceed 5 per centum for the necessary costs of administering the provisions of this section.

"(h) Each State shall report to the Secretary of Transportation not later than December 30 of each year, on the progress being made to implement the highway safety improvement program and the effectiveness of safety improvements in reducing the number and severity of accidents. The Secretary of Transportation shall submit a report to the Congress not later than April 1 of each year on the progress being made by the States in implementing the highway safety improvement program.".

(b) Section 152 of title 23, United States Code, is repealed.

(c) The analysis of chapter 1 of title 23, United States Code, is amended by deleting

"151. Pavement marking demonstration program.", and
"152. Hazard elimination program.",

and inserting in lieu thereof

"151. Highway safety improvement program.", and
"152. Repealed.".

(d) Section 203(e) of the Highway Safety Act of 1973 (Public Law 93-87), as amended by the Congressional Reports Elimination Act of 1980 (Public Law 96-470), is repealed.

HIGHWAY BRIDGE REPLACEMENT AND REHABILITATION PROGRAM APPORTIONED FUNDS

Sec. 114. (a) Subsection (e) of section 144 of title 23, United States Code, is amended to read as follows:

"(e) Funds authorized to carry out this section shall be apportioned among the several States on October 1 of the fiscal year for which authorized according to the following formula: All deficient bridges will be divided into four categories: (1) Federal-aid system bridges, and bridges on public roads functionally classified as arterials or major collectors, eligible for replacement, (2) Federal-aid system bridges, and bridges on public roads functionally classified as arterials or major collectors, eligible for rehabilitation, (3) off-system bridges, and bridges on public roads not functionally classified as arterials or major collectors eligible for replacement, and (4) off-system bridges and bridges on public roads not functionally classified as arterials or major collectors eligible for rehabilitation. The square footage of deficient Federal-aid system bridges, or bridges on public roads functionally classified as arterials or major collectors, both those eligible for replacement and those eligible for rehabilitation, shall be multiplied by a factor of two. The square footage of deficient bridges in each category shall be multiplied by the average national unit cost, on a State-by-State basis, as determined by the Secretary; and the total cost of each State divided by the total cost of the Nation's deficient bridges shall yield the apportionment factors. No State shall receive more than 8 per centum or less than 0.25 per centum of the total apportionment for any one fiscal year. The Secretary shall make these determinations based upon the latest available data, which shall be updated annually. Funds authorized to carry out this section which are apportioned under this section shall be available for expenditure for three years after the close of the fiscal year for which they are authorized.".

(b) Notwithstanding any other provision of law or Federal regulation, any new bridge which is to be constructed pursuant to section 144 of title 23, United States Code, in tandem with any existing major structure built after June 28, 1969, with no more than 2.7 miles of highway between them need not carry a roadway width in excess of 69 feet.

FEDERAL LANDS HIGHWAYS PROGRAM

SEC. 115. (a) Section 202 of title 23, United States Code, is amended to read as follows:

"SEC. 202. ALLOCATIONS.—(a) On October 1 of each fiscal year, the Secretary shall allocate the sums authorized to be appropriated for such fiscal year for forest highways according to the relative needs of the various elements of the national forest system as determined by the Secretary, taking into consideration the need for access as identified by the Secretary of Agriculture through renewable resource and land use planning, and the impact of such planning on existing transportation facilities.

"(b) On October 1 of each fiscal year, the Secretary of Agriculture shall allocate the sums authorized to be appropriated for such fiscal year for forest development roads and trails according to the relative needs of the various national forests. Such allocation shall be consistent with the renewable resource and land use planning for the various national forests.

"(c) On October 1 of each fiscal year, the Secretary shall allocate the sums authorized to be appropriated for such fiscal year for public lands highways among those States having unappropriated or unreserved public lands, nontaxable

Indian lands or other Federal reservations, on the basis of need in such States, respectively, as determined by the Secretary upon application of the State highway departments of the respective States. The Secretary shall give preference to those projects which are significantly impacted by Federal land and resource management activities.

"(d) On October 1 of each fiscal year, the Secretary of the Interior shall allocate the sums authorized to be appropriated for such fiscal year for park roads and parkways each according to the relative needs of the various elements of the national park system, taking into consideration the need for access as identified through land use planning and the impact of such planning on existing transportation facilities.

"(e) On October 1 of each fiscal year, the Secretary of the Interior shall allocate the sums authorized to be appropriated for such fiscal year for Indian reservation roads according to the relative needs of the various reservations as jointly identified by the Secretary and the Secretary of the Interior.".

(b) Section 204 of title 23, United States Code, is amended to read as follows:

"SEC. 204. FEDERAL LANDS HIGHWAYS PROGRAM.—(a) Recognizing the need for all Federal roads which are public roads to be treated under the same uniform policies as roads which are on the Federal-aid systems, there is established a coordinated Federal lands highways program which shall consist of the forest highways, public lands highways, park roads, parkways, and Indian reservation roads as defined in section 101 of title 23, United States Code.

"(b) Funds available for forest highways and public lands highways shall be used by the Secretary to pay for the cost of construction and improvement thereof. Funds available for park roads, parkways, and Indian reservation roads shall be used by the Secretary of the Interior to pay for the cost of construction and improvement thereof. In connection therewith, the Secretary and the Secretary of the Interior, as appropriate, may enter into construction contracts and such other contracts with a State, or civil subdivision thereof as deemed advisable. In the case of Indian reservation roads, Indian labor may be employed in such construction and improvement under such rules and regulations as may be prescribed by the Secretary of the Interior.

"(c) Cooperation of States, counties, or other local subdivisions may be accepted in construction and improvement, and any funds received from a State, county, or local subdivision shall be credited to appropriations available for the class of Federal lands highways to which such funds were contributed.

"(d) Construction of each project shall be performed by contract awarded by competitive bidding, unless the Secretary or the Secretary of the Interior shall affirmatively find that, under the circumstances relating to such project, some other method is in the public interest.

"(e) All appropriations for the construction and improvement of each class of Federal lands highways shall be administered in conformity with regulations and agreements jointly approved by the Secretary and the Secretary of the appropriate Federal land managing agency.

"(f) The Secretary shall transfer to the Secretary of Agriculture from appropriations for forest highways such amounts as may be needed to cover necessary administrative expenses of the Forest Service in connection with forest highways.

"(g) Funds available for each class of Federal lands highways shall be available for adjacent vehicular parking areas and scenic easements.".

(c)(1) The definition of "park roads and trails" in section 101(a) of title 23, United States Code, is amended to read as follows: "The term 'park road' means a public road that is located within or provides access to an area in the national park system.".

(2) The term "Indian reservation roads and bridges" in section 101(a) of title 23, United States Code, is amended to read as "Indian reservation roads"; and the definition of such term is amended by deleting the words "and bridges" each

place they appear and by inserting the word "public" before "roads" the first place it appears.

(3) Section 101(a) of title 23, United States Code, is amended by adding after the definition of the term "forest development roads and trails" the following new definition: "The term 'Federal lands highways' in accordance with section 204 of this title means forest highways, public lands highways, park roads, parkways, and Indian reservation roads.".

(d) Sections 206, 207, 208, 209, and 214(c) of title 23, United States Code, are repealed.

(e) The analysis of chapter 2 of title 23, United States Code, is amended by deleting the following headings:

"202. Apportionment or allocation.";
"204. Forest highways.";
"206. Park Roads and trails.";
"207. Parkways.";
"208. Indian reservation roads."; and
"209. Public lands highways."

and inserting in lieu thereof:

"202. Allocations.";
"204. Federal Lands Highways Program.";
"206. Repealed.";
"207. Repealed.";
"208. Repealed."; and
"209. Repealed.".

(f) Section 203 of title 23, United States Code, is amended by striking out the term "park roads and trails" wherever it appears and inserting in lieu thereof the term "park road".

PROGRAM CONSOLIDATION

SEC. 116. (a)(1) Sections 143, 148, 155, and 156 of title 23, United States Code, are repealed.

(2) Section 163 of the Federal-Aid Highway Act of 1973, as amended, is repealed.

(b)(1) Any unobligated balance of contract authority established by any Act prior to enactment of subsection (a) of this section for carrying out sections 143 and 148 of title 23, United States Code, shall remain available for obligation under the conditions applicable prior to such enactment.

(2) The unexpended balance of sums appropriated prior to enactment of subsection (a) of this section for carrying out sections 155 and 156 of title 23, United States Code, and section 163 of the Federal-Aid Highway Act of 1973, as amended, shall remain available for expenditure under the conditions applicable prior to such enactment.

(3) The unappropriated balance of sums authorized prior to enactment of subsection (a) of this section for carrying out sections 148, 155, and 156 of title 23, United States Code, is rescinded.

(c) The analysis of chapter 1, United States Code, is amended by striking

"143. Economic growth center development highways."

and inserting in lieu thereof

"143. Repealed.";

by striking

"148. Development of a national scenic and recreational highway."

and inserting in lieu thereof

"148. Repealed.";

by striking

"155. Access highways to public recreation areas on certain lakes."

and inserting in lieu thereof

"155. Repealed.";

and by striking

"156. Highways crossing Federal projects."

and inserting in lieu thereof

"156. Repealed.".

CARPOOL AND VANPOOL PROJECTS

SEC. 117. (a) Section 120(d) of title 23, United States Code, is amended by inserting before the words "may amount to 100 per centum" the words "or commuter carpooling and vanpooling".

(b) The Secretary of Transportation is authorized and directed to expend such sums as are necessary out of the administrative funds authorized by subsection (a) of section 104, title 23, United States Code, to carry out the provisions of subsection (d) of section 126 of the Federal-Aid Highway Act of 1978.

PUBLIC TRANSPORTATION

SEC. 118. Section 142 of title 23, United States Code, is amended as follows:

(1) In subsection (a)(1) delete in the first sentence the words "bus lanes" and insert in lieu thereof the following: "high occupancy vehicle lanes" and delete the words "bus and other" and insert in lieu thereof the following: "high occupancy vehicle and".

(2) In subsection (b) delete the word "bus" and insert in lieu thereof "high occupancy vehicle".

(3) In subsection (f) delete the words "public mass transportation systems" and insert in lieu thereof "high occupancy vehicles".

FRINGE AND CORRIDOR PARKING

SEC. 119. Section 137 of title 23, United States Code, is amended by inserting the following new subsection (f):

"(f)(1) The Secretary may approve for Federal financial assistance from funds apportioned under section 104(b)(5)(B) of this title, projects for designating existing facilities, or for acquisition of rights of way or construction of new facilities, for use as preferential parking for carpools, provided that such facilities (1) are located outside of a central business district and within an interstate highway corridor, and (2) have as their primary purpose the reduction of vehicular traffic on the interstate highway.

"(2) Nothing in this subsection, or in any rule or regulation issued under this subsection, or in any agreement required by this subsection, shall prohibit (1) any State, political subdivision, or agency or instrumentality thereof, from contracting with any person to operate any parking facility designated or constructed under this subsection, or (2) any such person from so operating such facility. Any fees charged for the use of any such facility in connection with the purpose of this subsection shall not be in excess of the amount required for operation and maintenance, including compensation to any person for operating the facility.

"(3) For the purposes of this subsection, the terms 'facilities' and 'parking facilities' are synonymous and shall have the same meaning given 'parking facilities' in subsection (c) of this section".

EMERGENCY RELIEF

SEC. 120. (a)(1) The first sentence of subsection (a) of section 125 of title 23, United States Code, is amended by striking the first sentence thereof and inserting in lieu thereof the following: "An emergency fund is authorized for expenditure by the Secretary, subject to the provisions of this section and section 120 of this title, for the repair or reconstruction of highways, roads, and trails which the Secretary shall find have suffered serious damage as the result of (1) natural disaster over a wide area such as by floods, hurricanes, tidal waves, earthquakes, severe storms, or landslides, or (2) catastrophic failures from any external cause, in any part of the United States. In no event shall funds be used pursuant to this section for the repair or reconstruction of bridges which have been permanently closed to all vehicular traffic by the State or responsible local official because of imminent danger of collapse due to structural deficiencies or physical deterioration.".

(2) Subsection (a) of section 125 of title 23, United States Code, is further amended by inserting in the second sentence, as that sentence read prior to the amendments made by paragraph (1) of this subsection, after the word "appropriated" the words "from the Highway Trust Fund".

(b) Notwithstanding any other provision of law, all expenditures made under section 125 of title 23, United States Code, prior to the fiscal year ending September 30, 1978, are authorized to have been appropriated from the Highway Trust Fund.

(c) Subsection (a) of section 125 of title 23, United States Code, is amended by inserting in the second sentence after the words "after September 30, 1976," the words "and not more than $100,000,000 is authorized to be expended in any one fiscal year commencing after September 30, 1980.".

(d) Subsection (b) of section 125 of title 23, United States Code, is amended by striking the period at the end of the first sentence, inserting a colon in lieu thereof, and by adding the following: "*Provided,* That obligations for projects under this section, including those on highways, roads, and trails mentioned in subsection (c) of this section, resulting from a single natural disaster or a single catastrophic failure shall not exceed $30,000,000 in any State.".

(e) The amendments made by subsection (d) of this section shall apply to natural disasters or catastrophic failures which the Secretary finds eligible for emergency relief subsequent to the date of enactment of this section.

(f) Subsection (f) of section 120 of title 23, United States Code, is amended to read as follows:

"(f) The Federal share payable on account of any repair or reconstruction provided for by funds made available under section 125 of this title shall not exceed 75 per centum of the cost thereof: *Provided,* That the Federal share payable on account of any repair or reconstruction of forest highways, forest development roads and trails, park roads and trails, parkways, public lands highways, public lands development roads and trails, and Indian reservation roads may amount to 100 per centum of the cost thereof. The total cost of a project may not exceed the cost of repair or reconstruction of a comparable facility. As used in this section with respect to bridges and in section 144 of this title, 'a comparable facility' shall mean a facility which meets the current geometric and construction standards required for the types and volume of traffic which such facility will carry over its design life.".

(g) All obligations for projects resulting from a natural disaster or catastrophic failure which the Secretary finds to be eligible for emergency relief subsequent to the date of enactment of this subsection shall provide for the Federal share required by subsection (f) of section 120 of title 23, United States Code, as amended by this section.

(h)(1) Subsection (b) of section 125 of title 23, United States Code, is amended by striking the words "the Federal-aid highway systems, including the Interstate System" and by inserting in lieu thereof the words "the Interstate System, the Primary System, and on any routes functionally classified as arterials or major collectors," in the two places the stricken words appear.

(2) Subsection (c) of section 125 of title 23, United States Code, is amended by striking the words "on any of the Federal-aid highway systems" and inserting in lieu thereof the words "routes functionally classified as arterials or major collectors".

BICYCLE TRANSPORTATION PROGRAM

SEC. 121. Section 217 of title 23, United States Code is amended—

(1) by striking in the first sentence of subsection (a), the words "and the multiple use of highway rights-of-way" and "on or in conjunction with highway rights-of-way";

(2) by inserting after the first sentence in subsection (a) the following: "Federal-aid highway projects may include nonconstruction programs or projects which can reasonably be expected to enhance the safety and use of bicycles.";

(3) by striking out in subsection (b) the words "that provided in section 120 of this title" and inserting in lieu thereof "100 per centum"; and

(4) by striking out subsection (e).

HIGHLAND SCENIC HIGHWAY

SEC. 122. Section 161(f) of the Federal-Aid Highway Act of 1973, as amended by section 21 of Public Law 96–106, is further amended to read as follows:

"(f) The Highland Scenic Highway as authorized by subsection (a) of this section and all associated lands and rights-of-way shall be managed as part of the Monongahela National Forest for scenic and recreational purposes. Vehicle use shall be confined to passenger cars, recreational vehicles, and limited truck traffic to the extent such use is compatible with the purpose for which the highway was constructed. Commercial use by trucks shall be limited and controlled by permit.".

ALLOCATION OF URBAN FUNDS

SEC. 123. Section 150 of title 23, United States Code, is amended by adding the following sentence at the end thereof: "Funds allocated to an urbanized area under the provisions of this section may, at the request of the Governor and upon approval of the appropriate local officials of the area and the Secretary, be transferred to the allocation of another such area in the State or to the State for use in any urban area.".

CERTIFICATION ACCEPTANCE

SEC. 124. (a) Subsection 117(a) of title 23, United States Code, is amended by striking out "projects on Federal-aid systems, except the Interstate System," and inserting in lieu thereof "Federal-aid projects on systems other than the Interstate System" and by adding at the end thereof the following new sentence: "Notwithstanding the above, the Secretary may discharge any of his responsibilities under this title relative to the physical construction phase of Interstate resurfacing, restoration, rehabilitation, and reconstruction projects using the procedures of this section.".

(b) Subsection 117(b) is amended by striking out "make a final inspection of each subject project upon its" and inserting in lieu thereof "establish procedures for the inspection of such projects upon".

(c) Subsection 117(f)(1) is amended by striking out the words "the Federal-aid secondary system," when they first appear and inserting in lieu thereof "projects, as defined by the Secretary and which are not on the Interstate System," and by striking out "all projects on the Federal-aid secondary system" and inserting in lieu thereof "such projects".

(d) Subsection 117(f)(3) is revised to read as follows:

"(3) Paragraphs (1) and (2) of this subsection shall not be construed to relieve the Secretary of his obligation to establish procedures for the inspection of such projects upon completion and to require an adequate report of the estimated and actual cost of construction as well as other information as he determines necessary.".

(e) Subsection 105(b) of title 23, United States Code, is amended by striking out "projects on the Federal-aid secondary system" and inserting in lieu thereof "projects, as defined by the Sectetary and which are not on the Interstate System except for the construction phase of Interstate resurfacing, restoration, rehabilitation, and reconstruction projects".

(f) Subsection 106(b) of title 23, United States Code, is amended to read as follows:

"(b) In addition to the approval required under subsection (a) of this section, proposed specifications for projects for construction, as defined by the Secretary and which are not on the Interstate System except for the construction phase of Interstate resurfacing, restoration, rehabilitation and reconstruction projects, except in States where all public roads and highways are under the control and supervision of the State highway department, shall be determined by the State highway department and the appropriate local road officials in cooperation with each other.".

(g) Subsection 112(e) of title 23, United States Code, is amended by striking out "projects on the Federal-aid secondary system" and inserting in lieu thereof "projects, as defined by the Secretary and which are not on the Interstate System except for the construction phase of Interstate resurfacing, restoration, rehabilitation, and reconstruction projects,".

DEFENSE ACCESS ROAD

SEC. 125. Section 210(c) of title 23, United States Code, is amended by striking "Not exceeding $5,000,000 of any funds appropriated under the Act approved October 16, 1951 (65 Stat. 422)", and inserting in lieu thereof "Funds appropriated for defense maneuvers and exercises".

MAINTENANCE

SEC. 126. (a) Subsection (a) of section 116 of title 23, United States Code, is amended by striking the second sentence.

(b) Subsection (b) of section 116 of title 23, United States Code, is amended by striking "constructed on the Federal-aid secondary system or within a municipality,".

(c) The second sentence of subsection (c) of section 116 of title 23, United States Code, is amended to read as follows: "If, within ninety days after receipt of such notice, such project has not been put in proper condition of maintenance, the Secretary shall withhold approval of further projects of all types on one or more of the Federal-aid systems or programs in the State highway district, municipality, county, other political or administrative subdivision of the State, or the entire State, in which such project shall be located, as he deems most appropriate until such project shall have been put in proper condition of maintenance.".

(d) Section 109 of title 23, United States Code, is amended by striking subsection (m) and by relettering subsection (n) as (m).

(e) Section 116 of title 23, United States Code, is amended by adding subsection (f) as follows:

"(f) The Secretary shall issue guidelines describing the criteria applicable to the Interstate System in order to insure that the condition of these routes is maintained at the level required by the purposes for which they were designed.".

(f) Section 119 of title 23, United States Code, is amended by striking subsection (b).

(g) Section 116 of title 23, United States Code, is amended by adding subsection (g) as follows:

"(g) Not later than one year after the date of issuance of initial guidelines under subsection (f) of this section each State shall have a program for the Interstate System in accordance with such guidelines. Each State shall certify on January 1 of each year that it has such a program and the

Interstate System is maintained in accordance with the program. If a State fails to certify as required or if the Secretary determines a State is not adequately maintaining the Interstate System in accordance with such program, the next apportionment of funds to such State for the Interstate System shall be reduced by amounts equal to 10 per centum of the amount which would otherwise be apportioned to such State under section 104 of this title. If, within one year from the date the apportionment for a State is reduced under this subsection, the Secretary determines that such State is maintaining the Interstate System in accordance with the guidelines the apportionment of such State shall be increased by an amount equal to the reduction. If the Secretary does not make such a determination within such one year period, the amount withheld shall be reapportioned to all other eligible States.".

CONSTRUCTION

SEC. 127. (a) Subsection (a) of section 114 of title 23, United States Code is amended to read as follows:

"(a) The construction of any highways or portions of highways located on a Federal-aid system or under a Federal-aid program shall be undertaken by the respective State highway departments or under their direct supervision. The construction work and labor in each State shall be in accordance with the laws of that State and applicable Federal laws.

Except as provided in section 117 of this title, the Secretary shall establish procedures for the inspection and approval of such construction. Construction may begin as soon as funds are available pursuant to subsection (a) of section 118 of this title. The State highway department shall not erect any informational signs other than official traffic control devices conforming with standards developed by the Secretary on any project where actual construction is in progress and visible to highway users.".

(b) Subsection (c) of section 121 of title 23, United States Code is amended by striking the words "following inspections".

RESEARCH AND PLANNING

SEC. 128. (a) Subsection (c) of section 307, title 23, United States Code, is amended by adding paragraph (5) as follows:

"(5) The sums provided pursuant to paragraph (2) of this subsection shall be combined and administered by the Secretary as a single fund which shall be available for obligation for the same period as funds apportioned under section 104(b)(1) of this title.".

(b) Subsection (c)(2) of section 307, title 23, United States Code, is amended by striking "1964" and inserting in lieu thereof "1983", and by striking "section 104" and inserting in lieu thereof "sections 104 and 144".

(c) Section 120 of title 23, United States Code, is amended by adding a subsection (i) as follows:

"(i) The Federal share payable on account of any project financed under section 307(c) of this title shall be 85 per centum, except that in the case of any State containing nontaxable Indian lands, individual and tribal, and public domain lands (both reserved and unreserved) exclusive of national forests and national parks and monuments, exceeding 5 per centum of the total area of all lands therein, the Federal share shall be increased by a percentage of the remaining cost equal to the percentage that the area of all such lands in such State is of its total area, except that such Federal share payable on any project in any State shall not exceed 95 per centum of the total cost of any such project.".

NONDISCRIMINATION

SEC. 129. (a) The first and third sentences of subsection (a) of section 140 of title 23, United States Code, are amended by striking the words "or national origin" and inserting in lieu thereof the words "national origin or sex".

(b) Section 140 of title 23, United States Code, is amended by adding new subsection (c) as follows:

"(c) The Secretary, in cooperation with any other department or agency of the Government, State agency, authority, association, institution, corporation (profit or nonprofit), or any other organization or person, is authorized to develop, conduct, and administer training programs and assistance programs in connection with any program under this title in order that minority businesses may achieve proficiency to compete, on an equal basis, for contracts and subcontracts. Whenever apportionments are made under subsection 104(b) of this title, the Secretary shall deduct such sums as he may deem necessary, not to exceed $10,000,000 per fiscal year, for the administration of this subsection. The provisions of section 3709 of the Revised Statute, as amended (41 U.S.C. 5), shall not be applicable to contracts and agreements made under the authority herein granted to the Secretary notwithstanding the provisions of 41 U.S.C. 252(e).".

(c) The title of section 140 of title 23, United States Code, is amended to read:

"§ 140. Nondiscrimination"

and the analysis of chapter 1 of title 23, United States Code, is amended by striking out

"140. Equal employment opportunity."

and inserting in lieu thereof

"140. Nondiscrimination.".

INTERAGENCY AGREEMENTS

Sec. 130. (a) Chapter 1 of title 23, United States Code, is amended by adding after section 156 the following new section:

"§ 157. Interagency agreements

"Not later than one hundred and eighty days after the date of enactment of this section, the Secretary shall enter into agreements with the Secretaries of the Departments of Interior and Defense, the Administrator of the Environmental Protection Agency, and the heads of such other Federal departments, agencies, and instrumentalities as the Secretary determines, to minimize, to the greatest extent possible, duplication, paperwork, and delays in the development and approval of projects under this title and any other provision of law relating to the Federal highway programs. Notwithstanding any other provision of law, such agreements shall provide that actions on applications or requests for permits, licenses, findings, and other approvals and determinations required for such projects will be fully coordinated by the Department of Transportation with the review process established under the National Environmental Policy Act of 1969, as amended, and, to the greatest extent practicable, that a decision with respect to each such application or request will be made contemporaneously with approval of the environmental impact statement, finding of no significant impact, or categorical exclusion required for such project, but in no event later than one hundred eighty days after the date of approval of such environmental review document.".

(b) The analysis of chapter 1 of title 23, United States Code, is amended by adding at the end thereof the following:

"157. Interagency agreements.".

FEDERAL SHARE—FEDERAL-AID RURAL AND URBAN PROGRAMS

SEC. 131. Section 120(a) of title 23, United States Code, is amended (1) by adding after "75 per centum of the cost of construction" wherever it appears the following: "and 50 per centum of the cost of construction for projects under the Federal-aid rural program and the Federal-aid urban program," and (2) by adding the following new sentence at the end thereof: "The Federal share payable on account of any project under the Federal-aid rural program or the Federal-aid urban program which the Secretary has approved prior to enactment of the Federal-Aid Highway Improvement Act of 1981 shall not exceed 75 per centum of the cost of construction subject to the conditions set forth in this subsection or at the option of the State the Federal share may be revised to 50 per centum of such cost, but the Federal share payable for any such project which the Secretary approves after enactment of such Act shall not exceed 50 per centum of the cost of construction subject to the conditions set forth in this subsection.".

OBLIGATION LIMITATION AND ALLOCATION FORMULA

SEC. 132. (a) Notwithstanding any other provision of law, the total of all obligations for Federal-aid highways and highway safety construction programs for fiscal year 1983 shall not exceed $8,200,000,000. This limitation shall not apply to obligations for emergency relief under section 125 of title 23, United States Code, section 9 of the Federal-Aid Highway Act of 1981, and sections 108 and 134 of this Act. No obligation constraints shall be placed upon any ongoing emergency project carried out under section 125 of title 23, United States Code.

(b) For the fiscal year 1983, the Secretary shall distribute the limitation imposed by subsection (a) by allocation in the ratio which sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned to each State for such fiscal year bears to the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction which are apportioned to all the States for such fiscal year.

(c) During the period October 1 through December 31, 1982, no State shall obligate more than 35 per centum of the amount distributed to such State under subsection (b), and the total of all State obligations during such period shall not exceed 25 per centum of the total amount distributed to all States under such subsection.

(d) Notwithstanding subsections (b) and (c), the Secretary shall—

(1) provide all States with authority sufficient to prevent lapses of sums authorized to be appropriated for Federal-aid highways and highway safety construc-

tion which have been apportioned to a State, except in those instances in which a State indicates its intention to lapse sums apportioned under section 104(b)(5)(A) of title 23, United States Code;

(2) after August 1, 1983, revise a distribution of the funds made available under subsection (b) if a State will not obligate the amount distributed during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year; and

(3) not distribute amounts authorized for administrative expenses and forest highways.

MARYLAND TRANSPORTATION AUTHORITY

SEC. 133. (a) The Act entitled "An Act authorizing the State of Maryland, by and through its State Roads Commission of the successors of said Commission, to construct, maintain, and operate certain bridges across streams, rivers, and navigable waters which are wholly or partly within the State", approved April 7, 1938, and the Act of June 16, 1948 (62 Stat. 463, Public Law 654, 80th Congress), as amended by the Act of November 17, 1967 (81 Stat. 466, Public Law 144, 90th Congress), are hereby repealed.

(b) The State of Maryland, by and through the Maryland Transportation Authority or the successors of such Authority, is authorized, subject to all applicable Federal laws, (1) to continue to collect tolls after the date of enactment of this Act from its existing transportation facilities projects, as defined on the date of enactment of this Act in the laws of the State of Maryland, and (2) to use the revenues from such tolls for transportation projects of the type which the State or the Maryland Transportation Authority is authorized to construct, operate, or maintain under the laws of the State of Maryland as such laws exist on the date of enactment of this Act.

CERTIFICATION OF STATE PROCEDURES

SEC. 134. (a) The Secretary of Transportation shall carry out a project to demonstrate the feasibility of reducing the time required to complete highway projects, other than projects on the Interstate System, in States that require improved access between rapidly growing suburban areas and established urban core areas, by extending the coverage of State certifications under section 117(a) of title 23 of the United States Code, to any Federal law, regulation, or policy that applies to such projects.

(b) In implementing this section, the Secretary shall review applications for projects submitted by any State which agrees to assume the responsibility of the Secretary with regard to any such Federal law, regulation, or policy. The Secretary shall be deemed to have fulfilled his responsibility under such law, regulation, or policy, provided that—

(1) the Secretary finds that the State has procedures which are sufficient to assure that the project will be carried out in accordance with the provisions of such law, regulation, or policy;

(2) the State highway department is authorized and consents to accept the jurisdiction of the Federal courts in any suit brought to enforce any such Federal law or regulation; and

(3) the State highway department certifies that the project has been carried out in accordance with the procedures specified under subsection (b)(1) of this section.

(c) In carrying out the demonstration project authorized under this section, the Secretary may continue to discharge his responsibilities directly with respect to those laws, regulations, and policies for which he finds State procedures are not sufficient.

(d) In implementing this section, the Secretary shall consider the procedures developed pursuant to section 141 of the Federal-Aid Highway Act of 1976, as amended, and shall encourage the State to carry out its responsibilities in cooperation with appropriate political subdivisions of the State.

(e) There is authorized to be appropriated out of the Highway Trust Fund to carry out the project authorized under this section a sum not to exceed $50,000,000.

(f) Funds authorized by this section shall be available for obligation in the same manner and to the same extent as if such funds were apportioned under chapter 1 of title 23, United States Code.

(g) Not later than six months after the completion of such project, the Secretary shall submit a report to Congress which includes, but is not limited to, a description of the methods used to accomplish the project and the changes, if any, required to adopt expanded certification. The report should also contain recommendations for applying the methods to other highway projects, and any changes to existing law which may be necessary to permit more widespread use of expanded certification acceptance.

ALASKA HIGHWAY

SEC. 135. (a) Subsection (a) of section 218 of title 23, United States Code, is amended by adding after the second sentence the following: "In addition to such funds, the State of Alaska is authorized to expend on such highway any Federal-aid highway funds apportioned to the State of Alaska under this title as its Federal share. Notwithstanding any other provision of law any obligation limitation enacted for fiscal year 1983 or for any fiscal year thereafter shall not apply to projects authorized by the previous sentence.".

(b) This amendment shall be effective upon the date of the enactment of this Act.

TERRITORIAL HIGHWAY PROGRAM

SEC. 136. (a) Section 215 of title 23, United States Code, is hereby repealed.

(b)(1) The unobligated balance of sums appropriated prior to enactment of subsection (a) of this section for carrying out section 215 of title 23, United States Code, shall remain available for obligation under the conditions applicable prior to such enactment.

(2) The unappropriated balance of sums authorized prior to enactment of subsection (a) of this section for carrying out section 215 of title 23, United States Code, shall remain available until expended under the conditions applicable prior to such enactment.

(c) Section 120(i) of title 23, United States Code, repealed.

(d) Section 401 of title 23, United States Code, is amended by deleting the second sentence thereof.

(e) The sixth sentence of section 402(c) of title 23, United States Code, is amended to read as follows: "The annual apportionment to each State shall not be less than one-half of 1 per centum of the total apportionment.".

(f) The analysis of chapter 2 of title 23, United States Code, is amended by deleting:

"215. Territories highway development program."

and inserting in lieu thereof:

"215. Repealed.".

ACCELERATION OF BRIDGE PROJECTS

SEC. 137. Section 147 of the Surface Transportation Assistance Act of 1978, as amended by section 15 of Public Law 96–106 (93 Stat. 798) is repealed. Funds previously set aside in accordance with such section 147 shall be available for obligation for a period of two years from the date of enactment of this Act. Such funds may be obligated under the same conditions which existed prior to the repeal of such section 147. Funds not obligated within that period of availability shall be permanently withdrawn and such funds shall be apportioned by the Secretary to the several States in accordance with section 144(e) of title 23, United States Code.

TECHNICAL AMENDMENTS

SEC. 138. (a) Section 101(a) is amended as follows:

(1) In the tenth sentence, by inserting the words "or under one of the Federal-aid programs" immediately after the words "Federal-aid systems";

(2) In the nineteenth sentence, by striking the period at the end thereof and adding the words "or under the Federal-aid programs.";

(3) In the thirtieth sentence, by deleting the words "secondary system" and inserting in lieu thereof the words "rural program", and by deleting the word "system" and inserting in lieu thereof the word "program";

(4) In the thirty-first sentence, by deleting the word "system" each time it appears and inserting in lieu thereof the word "program"; and

(5) By adding after the twenty-eighth sentence the following sentence: "The term 'Federal-aid program' means any one of the Federal-aid highway programs described in section 103 of this title.".

(b)(1) Section 103 is amended by adding to the title the words "and programs" after the words "Federal-aid systems";

(2) Section 103(a) is amended to read as follows: "For the purpose of this title, the Federal-aid systems, which consist of the primary system and the Interstate System, along with the Federal-aid programs, which consist of the Federal-aid rural program and the Federal-aid urban program, are established and continued pursuant to the provisions of this section.";

(3) Section 103(f) is amended to read as follows: "The Secretary shall have authority to approve in whole or in part the Federal-aid primary system, the Federal-aid rural pro-

gram, the Federal-aid urban program, and the Interstate System, as and when such systems and programs or portions thereof are designated, or to require modifications or revisions thereof. No Federal-aid system or program or portion thereof shall be eligible for projects in which Federal funds participate until approved by the Secretary.";

(4) Subsections (g) and (h) of section 103 are repealed; and

(5) The analysis of chapter 1 of title 23 is amended by deleting

"103. Federal-aid systems."

and inserting in lieu thereof

"103. Federal-aid systems and programs.".

(c) Section 104 is amended as follows:

(1) In subsections (a) and (b)(1), by inserting the words "and programs" immediately after the words "Federal-aid systems" each time they appear;

(2) In paragraph (2) of section 104(b), by deleting the words "secondary system" and inserting in lieu thereof the words "rural program";

(3) By deleting paragraph (4) of section 104(b);

(4) By redesignating paragraph "(5)" as paragraph "(4)", and by deleting therein the first full sentence and the fifth sentence through the twenty-first sentence;

(5) By redesignating paragraph "(6)" as paragraph "(5)", and by deleting the word "system" and inserting in lieu thereof the word "program";

(6) In subsection (c)(1), by deleting the phrase ", commencing with the apportionment of funds authorized to be appropriated under subsection (a) of section 102 of the Federal-Aid Highway Act of 1956 (70 Stat. 374),"; and

(7) In subsection (f)(1), by inserting the words "and programs" immediately after the words "Federal-aid systems".

(d) Section 105 is amended as follows:

(1) In the first sentence of subsection (a) by inserting the words "and programs" after the words "Federal-aid systems", and by deleting in the third sentence the comma and all that follows and inserting a period after the word "part"; and

(2) In subsection (d) by deleting the words "programs for", and by deleting the words "on the Federal-aid urban system" and inserting in lieu thereof the words "under the Federal-aid urban program".

(e) Section 106(d) is amended by inserting the words "or under any Federal-aid program" immediately after the words "Federal-aid system".

(f)(1) Section 108(a) is amended by inserting the words "or under any of the Federal-aid highway programs," immediately after the words "Interstate System," the first time they appear, and by inserting the words "and programs" immediately after the words "Federal-aid highway systems" the second time they appear;

(2) Section 108(c)(2) is amended by inserting the words "or under any Federal-aid program" immediately after the words "Federal-aid system"; and

(3) The last sentence of section 108(c)(3) is amended by inserting the words "or under the Federal-aid program" immediately after the words "Federal-aid system".

(g)(1) Section 109(a) is amended by inserting the words "or under any Federal-aid program" immediately after the words "Federal-aid system";

(2) Section 109(c) is amended by deleting the words "Projects on the Federal-aid secondary system" and inserting in lieu thereof the words "Federal-aid rural program projects";

(3) Section 109(e) is amended by deleting the phrase "No funds shall be approved for expenditure on any Federal-aid highway," and inserting in lieu thereof the following phrase: "No funds shall be approved for expenditure on any highway on the Federal-aid highway system or under the Federal-aid highway program,";

(4) Section 109(h) is amended by inserting the words "or under any Federal-aid program" immediately after the words "Federal-aid system";

(5) Section 109(i) is amended by inserting the words "or under any Federal-aid program" immediately after the words "Federal-aid system" each time they appear in the first and second sentences, by inserting the words "or under a Federal-aid program" immediately after the words "Federal-aid system" in the third sentence, by inserting the words "or program" immediately after the words "Federal-aid system" in the fifth sentence, and by inserting the words "or under" immediately after the word "on" in such sentence; and

(6) Section 109(l)(1) is amended by inserting the words "or under any Federal-aid program" immediately after the words "Federal-aid system".

(h)(1) Section 113(a) is amended by deleting the words "the primary and secondary, as well as their extensions in urban areas, and the Interstate System, authorized under the highway laws providing for the expenditure of Federal funds upon the Federal-aid systems," and inserting in lieu thereof the words "the primary as well as its extensions in urban areas, and the Interstate System, or under the Federal-aid programs, authorized under the highway laws providing for the expenditure of Federal funds upon the Federal-aid systems and programs,"; and

(2) Section 113(b) is amended by inserting the words "or under any of the Federal-aid programs" immediately after the words "Federal-aid systems".

(i) Section 115(a) is amended to read as follows:

"(a) When a State has obligated all funds for the primary system or for any of the Federal-aid programs apportioned to it under section 104 of this title, and proceeds to construct any projects without the aid of Federal funds, including one or more parts of any project, on the primary system or under any of the Federal-aid programs in such State, as that system may be designated or any of those programs may be comprised at that time, in accordance with all procedures and all requirements applicable to projects on the primary system or under any such program, except insofar as such procedures and requirements limit a State to the construction of projects with the aid of Federal funds previously apportioned to it, the Secretary, upon application by such State and his approval of such application, is authorized to pay to such State the Federal share of the costs of construction of such project when additional funds are apportioned to such State under section 104 of this title if—

(1) prior to the construction of the project the Secretary approves the plans and specifications therefor in the same manner as other projects on the pri-

mary system or under the Federal-aid program involved, and

(2) the project conforms to the applicable standards adopted under section 109 of this title.

The Secretary may not approve an application under this section unless an authorization is in effect for the fiscal year for which the application is sought beyond the currently authorized funds for such State and that no application may be approved which will exceed the State's expected apportionment of such authorization.".

(j) Section 118(d) is amended by inserting the words "or under a Federal-aid program" immediately after the words "Federal-aid system".

(k)(1) Section 120(a) is amended by deleting in the first sentence all of the words between "(a)" and "(A)" and inserting in lieu thereof the words "Subject to the provisions of subsection (d) of this section, the Federal share payable on account of any project, financed with primary, rural, or urban funds, on the Federal-aid primary system, under the Federal-aid rural program, and under the Federal-aid urban program shall either"; and

(2) Section 120(g) is amended by deleting the words "Federal-aid highways" and inserting in lieu thereof the words "Federal-aid projects".

(l) Section 121(c) is amended by inserting the words "or under a Federal-aid program" immediately after the words "Federal-aid system".

(m) Section 123(a) is amended by deleting the words "the Federal-aid primary or secondary systems or on the Interstate System, including extensions thereof within urban areas," and inserting in lieu thereof the words "a Federal-aid system or under a Federal-aid program,".

(n) Section 124(a) is amended by inserting the words "or under any of the Federal-aid programs," immediately after the phrase "including the Interstate System,".

(o) Section 129 is amended as follows:

(1) In subsection (c), by inserting the words "and programs" immediately after the words "Federal-aid highway systems";

(2) In subsections (f) and (g)(2), by inserting the words "or programs" immediately after the words "Federal-aid systems" each time they appear; and

(3) In subsection (i), by deleting the words "Federal-aid system, other than the Interstate System," and inserting in lieu thereof the words "Federal-aid project other than one of the Interstate System,".

(p) Section 135(b) is amended by placing a period after the word "flow" and deleting the remainder of the sentence.

(q) Section 137(a) is amended by deleting the words "project on the Federal-aid urban system" and inserting in lieu thereof the words "project under the Federal-aid urban program".

(r) Section 140(a) is amended by inserting the words "or under any of the Federal-aid programs" immediately after the words "Federal-aid systems".

(s) Section 141(b) of title 23, United States Code, is amended to read as follows:

"(b) Each State shall certify to the Secretary before January 1 of each year that it is enforcing in accordance with section 127 of this title all State laws respecting maximum vehicle size and weights permitted on all roads receiving funds under the Federal-aid program, including the primary system, the Interstate System, and is a route functionally classified as an arterial or major collector.".

(t) Section 142 is amended as follows:

(1) In subsection (a)(1) by inserting the words "and highways under the Federal-aid programs" immediately after the words "Federal-aid systems", and by deleting the words "as a project on any Federal-aid system";

(2) In subsection (a)(2) by deleting the words "project on the Federal-aid urban system" each place

it appears and inserting in lieu thereof "project under the Federal-aid urban program"; and

(3) In subsection (e)(2) by deleting the words "projects on the Federal-aid urban system" and inserting in lieu thereof "projects under the urban program".

(u) Section 143 is amended as follows:

(1) In subsection (a), (b), and (c) by inserting the words "or under a Federal-aid program" immediately after the words "a Federal-aid system (other than the Interstate System)" each place they appear; and

(2) In subsection (d) and (e) by deleting the words "Federal-aid system on" each time they appear and inserting in lieu thereof the words "Federal-aid system or program on or under".

(v) Section 149 is amended as follows—

(1) by inserting the words "or under any Federal-aid program" immediately after the words "Federal-aid system".

(2) by amending the analysis of chapter 1 of title 23, United States Code, by deleting:

"150. Allocation of urban system funds.".

and inserting in lieu thereof:

"150. Allocation of urban program funds.".

(w) Section 150 is amended by deleting the word "system" in the title and inserting the word "program" in lieu thereof.

(x) Section 302(b) is amended by deleting the words "on the Federal-aid secondary system," and inserting in lieu thereof the words "under the Federal-aid rural program", and by deleting the words "secondary funds," and inserting in lieu thereof the words "rural funds,".

(y) Section 304 is amended by inserting the words "and highways under the Federal-aid programs" between the word "systems" and the comma.

(z) Section 317(d) is amended by inserting the words "or under a Federal-aid program" immediately after the words "Federal-aid system".

(aa) Section 320(a) is amended by inserting the words "or programs" immediately after the words "highway systems" in the second sentence.

(bb) Section 322 is amended as follows:

(1) In subsection (c)(1) by deleting the words "any Federal-aid system," and inserting in lieu thereof the words "the Interstate System, the Primary System, or is a route functionally classified as an arterial or major collector,"; and

(2) In subsection (c)(2) by deleting the words "any Federal-aid system," and inserting in lieu thereof the words "the Interstate System, the Primary System, or is not a route functionally classified as an arterial or major collector,".

(cc) Section 402(d) is amended by inserting the words "and programs" immediately after the words "Federal-aid systems".

(dd) Section 117 is amended as follows:

(1) By inserting in subsection (a) the words "or under any Federal-aid programs" immediately after the words "Federal-aid systems".

(2) By deleting in subsection (f)(1) the words "secondary system" where they appear and inserting in lieu thereof the words "rural program".

TITLE II

HIGHWAY REVENUE ACT OF 1982

SEC. 201. The title may be cited as the "Highway Revenue Act of 1982".

5-YEAR EXTENSION OF THE TAXES WHICH ARE TRANSFERRED INTO THE HIGHWAY TRUST FUND

SEC. 202. (a) GENERAL RULE.—The following provisions of the Internal Revenue Code of 1954 are amended by striking out "1984" each place it appears and inserting in lieu thereof "1989":

(1) Section 4041(e) (relating to rate reduction).

(2) Section 4061(a)(1) (relating to imposition of tax on trucks, buses, etc.).

(3) Section 4061(b)(1) (relating to imposition of tax on parts and accessories).

(4) Section 4071(d) (relating to imposition of tax on tires and tread rubber).

(5) Section 4081(b) (relating to imposition of tax on gasoline).

(6) Section 4481(a) (relating to imposition of tax on use of highway motor vehicles).

(7) Section 4481(e) (relating to period tax in effect).

(8) Section 6156(e)(2) (relating to installment payments of tax on use of highway motor vehicles).

(9) Section 6421(h) (relating to tax on gasoline used for certain nonhighway purposes or by local transit systems).

(b) Amendment of section 6412(a)(1). Section 6412(a)(1) of such Code (relating to floor stocks refunds) is amended:

(1) by striking out "1984" each place it appears and inserting in lieu thereof "1989"; and

(2) by striking out "1985" each place it appears and inserting in lieu therof "1990".

EXTENSION OF HIGHWAY TRUST FUND

SEC. 203. (a) HIGHWAY TRUST FUND.—Subsections (c), and (f) (3), (4), (6), and (7), of section 209 of the Highway Revenue Act of 1956 (relating to the Highway Trust Fund; 23 U.S.C. 120 note) are amended:

(1) by striking out "1984" each place it appears and inserting in lieu thereof "1989", and

(2) by striking out "1985" each place it appears and inserting in lieu thereof "1990".

(b)(1) MANAGEMENT OF TRUST FUND.—Subsection (e)(1) of section 209 of the Highway Revenue Act of 1956 is amended by striking "1985" and inserting in lieu thereof "1991" and by striking "Commerce" and inserting in lieu thereof "Transportation".

(2) EXPENDITURES FROM TRUST FUND.—Subsection (f)(1) of section 209 of the Highway Revenue Act of 1956 is amended as follows:

"(1) FEDERAL-AID HIGHWAY PROGRAM.—Amounts in the Trust Fund shall be available, as provided by appropriation acts, for making expenditures after June 30, 1956, and before October 1, 1990, to meet those obligations of the United States heretofore or hereafter incurred under title 23, United States Code, as amended and supplemented, which are attributable to Federal-aid highways (including those portions of general administrative expenses of the Federal Highway Administration payable from such appropriations).".

(c) Investigation and Report to Congress.—Section 210 of the Highway Revenue Act of 1956 is repealed.

(d) Conforming Amendments to Land and Water Conservation Fund.—Subsection (b) of section 201 of the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4061-11 is amended—

(1) by striking out "1984" and inserting in lieu thereof "1989"; and

(2) by striking out "1985" each place it appears and inserting in lieu thereof "1990".

CHANGE IN DEFINITION OF YEAR AND TAXABLE PERIOD

Sec. 204. Subsections (c)(2) and (c)(4) of section 4482 of the Internal Revenue Code of 1954 are amended by striking out the definition for the term "Year" and inserting in lieu thereof "The term 'year' means a one-year period beginning as prescribed in regulations issued by the Secretary or his delegate." and by striking out the definition for the term "Taxable Period" and inserting in lieu thereof "The term 'taxable period' means any year or portion thereof beginning before October 1, 1989.".